

Finance Act, 1999

Section 26 - AMENDMENT OF SECTION 43 InSection 43 of the Income Tax Act-, with effect from the 1st day of April, 2000

a) in clause (1),- (i) after Explanation 7, the following Explanation shall be inserted, namely:- "Explanation 7-A.-Where, in a demerger, any capital asset is transferred by the demerged company to the resulting company and the resulting company is an Indian company, the actual cost of the transferred capital asset to the resulting company shall be taken to be the same as it would have been if the demerged company had continued to hold the capital asset for the purpose of its own business : Provided that such actual cost shall not exceed the written-down value of such capital asset in the hands of the demerged company."; (ii) after Explanation 10, the following Explanation shall be inserted, namely:- "Explanation 11.-Where an asset which was acquired outside India by an assessee, being a non-resident, is brought by him to India and used for the purposes of his business or profession, the actual cost of the asset to the assessee shall be the actual cost to the assessee, as reduced by an amount equal to the amount of depreciation calculated at the rate in force that would have been allowable had the asset been used in India for the said purposes since the date of its acquisition by the assessee."; (b) in clause (6),- (i) in sub-clause (c), in item (i), after sub-item (B), the following sub-item shall be inserted, namely :- "(C) in the case of a slump sale, decrease by the actual cost of the asset falling within that block as reduced- (a) by the amount of depreciation actually allowed to him under this Act or under the corresponding provisions of the Indian Income Tax Act, 1922 (11 of 1922).".