

Finance Act, 2002

Section 16 - AMENDMENT OF SECTION 35-AC -In Section 35-AC-of the Income Tax Act, after sub-section

5) and before the Explanation, the following sub-section shall be inserted with effect from the 1st day of April, 2003, namely:- "(6) Notwithstanding anything contained in any other provision of this Act, where- (i) the approval of the National Committee, granted to an association or institution, is withdrawn under sub-section (4) or the notification in respect of eligible project or scheme is withdrawn in the case of a public sector company or local authority or an association or institution under subsection (5); or (ii) a company has claimed deduction under the proviso to sub-section (1) in respect of any expenditure incurred directly on the eligible project or scheme and the approval for such project or scheme is withdrawn by the National Committee under sub-section (5), the total amount of the payment received by the public sector company or the local authority or the association or the institution, as the case may be, in respect of which such company or authority or association or institution has furnished a certificate referred to in clause (a) of sub-section (2) or the deduction claimed by a company under the proviso to sub-section (1) shall be deemed to be the income of such company or authority or association or institution, as the case may be, for the previous year in which such approval or notification is withdrawn and tax shall be charged on such income at the maximum marginal rate in force for that year."