Finance Act, 2002

Section 36 - INSERTION OF NEW SECTION 80-M -AfterSection 80-L of the Income Tax Act-, the following section shall be inserted with

1) Where the gross total income of a domestic company, in any previous year, includes any income by way of dividends from another domestic company, there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends from another domestic company as does not exceed the amount of dividend distributed by the first-mentioned domestic company on or before the due date. (2) Where any deduction, in respect of the amount of dividend distributed by the domestic company, has been allowed under sub-section (1) in any previous year, no deduction shall be allowed in respect of such amount in any other previous year. Explanation.-For the purposes of this section, the expression "due date" means the date for furnishing the return of income under sub-section (1) ofSection 139-.'.