

**Finance Act, 2003**

**Section 8 - AMENDMENT OF SECTION 10B In section 10B of the Income tax Act,-**

a) in sub-section (6) with effect from the 1st day of April, 2001,- (A) in clause (i), after the words "relevant assessment years", the words, figures and letters "ending before the 1st day of April, 2001" shall be inserted and shall be deemed to have been inserted; (B) in clause (ii), after the words "relevant assessment years", the words, figures and letters "ending before the 1st day of April, 2001" shall be inserted and shall be deemed to have been inserted; (b) after sub-section (7), the following sub-section shall be inserted with effect from the 1st day of April, 2004, namely:- "(7A) Where any undertaking of an Indian company which is entitled to the deduction under this section is transferred, before the expiry of the period specified in this section, to another Indian company in a scheme of amalgamation or demerger - (a) no deduction shall be admissible under this section to the amalgamating or the demerged company for the previous year in which the amalgamation or the demerger takes place; and (b) the provisions of this section shall, as far as may be, apply to the amalgamated or resulting company as they would have applied to the amalgamating or the demerged company if the amalgamation or the demerger had not taken place."; (c) sub -sections (9) and (9A) shall be omitted with effect from the 1st day of April, 2004; (d) Explanation 1 shall be omitted with effect from the 1st day of April, 2004; (e) after Explanation 3, the following Explanation shall be inserted at the end, with effect from the 1st day of April, 2004, namely :- 'Explanation 4.-For the purposes of this section, "manufacture or produce" shall include the cutting and polishing of precious and semiprecious stones.'