

Finance Act, 1983

Section 3 - Amendment of Section 2

In section 2 of the Income-tax Act, -

(a) in clause (15), the words "not involving the carrying on of any activity for profit" shall be omitted with effect from the 1st day of April, 1984;

(b) sub-clause (18), in sub-clause (b), for item (B), the following item shall be substituted with effect from the 2nd day of April, 1983, namely :-

'(B) shares in the company (not being shares entitled to a fixed rate of dividend whether with or without a further right to participate in profits) carrying not less than fifty per cent. of the voting power have been allotted unconditionally to, or acquired unconditionally by, and were throughout the relevant previous year beneficially held by -

(a) the Government, or

(b) a corporation established by a Central, State or Provincial Act, or

(c) any company to which this clause applies or any subsidiary company of such company where such subsidiary company fulfils the conditions laid down in clause (b) of section 108.

Explanation : In its application to an Indian company whose business consists mainly in the construction of ships or in the manufacture or processing of goods or in mining or in the generation or distribution of electricity or any other form of power, item (B) shall have effect as if for the words "not less than fifty per cent.", the word "not less than forty per cent." had been substituted;'
