

**MINISTRY OF FINANCE**

**(Department of Revenue)**

**(CENTRAL BOARD OF DIRECT TAXES)**

**Notification No. 93/2016**

**New Delhi, the 14<sup>th</sup> October, 2016**

**(INCOME-TAX)**

**Reconstruction or splitting up has been made to transfer any assets of the demerged company to the resulting company Agreement and Share Purchase Agreement**

**S.O. 3204(E).**- In exercise of the powers conferred by Explanation 5 to clause (19AA) of section 2 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby specifies that the reconstruction or splitting up of a company which ceased to be a public sector company as a result of transfer of its shares by the Central Government, into separate companies, shall be deemed to be a demerger if the following conditions are fulfilled, namely:-

- (i) that such reconstruction or splitting up has been made to transfer any assets of the demerged company to the resulting company to give effect to the conditions mentioned in the Share Holders' Agreement and Share Purchase Agreement; and
- (ii) that the resulting company is a public sector company.

**[No.149/251/2015-TPL]**

**PRAVIN RAWAL, Director (Tax Policy and Legislation)**