

Finance Act 1994

Section 3 - Amendment of Section 2

In section 2 of the Income-tax Act, -

(a) in clause (19A), after the words "Deputy Commissioner of Income-tax", the words "or an Additional Commissioner of Income-tax" shall be inserted with effect from the 1st day of June, 1994;

(b) in clause (19B), after the words and brackets "Deputy Commissioner of Income-tax (Appeals)", the words and brackets "or an Additional Commissioner of Income-tax (Appeals)" shall be inserted with effect from the 1st day of June, 1994;

(c) after clause (19B), the following clause shall be inserted with effect from the 1st day of June, 1994, namely :-

'(19C) "Deputy Director" means a person appointed to be a Deputy Director of Income-tax or an Additional Director of Income-tax under sub-section (1) of section 117;';

(d) in clause (21), after the words "that sub-section to be", the words "an Additional Director of Income-tax or" shall be inserted with effect from the 1st day of June, 1994;

(e) in clause (42A), with effect from the 1st day of April, 1995, -

(i) in the proviso, after the words "share held in a company", the words, figures, brackets and letter "or any other security listed in a recognised sk exchange in India or a unit of the Unit Trust of India established under the Unit Trust of India Act, 1963 (52 of 1963), or a unit of a Mutual Fund specified under clause (23D) of section 10" shall be inserted;

(ii) the existing Explanation shall be renumbered as Explanation 1 and in Explanation 1 as so renumbered, in clause (i), after sub-clause (c), the following sub-clauses shall be inserted, namely :-

"(d) in the case of a capital asset, being a share or any other security (hereafter in this clause referred to as the financial asset) subscribed to by the assessee on the basis of his right to subscribe to such financial asset or subscribed to by the person in whose favour the assessee has renounced his right to subscribe to such financial asset, the period shall be reckoned from the date of allotment of such financial asset;

(e) in the case of a capital asset, being the right to subscribe to any financial asset, which is renounced in favour of any other person, the period shall be reckoned from the date of the offer of such right by the company or institution, as the case may be, making such offer;";

(iii) after Explanation 1 as so renumbered, the following Explanation shall be inserted, namely :-

'Explanation 2 : For the purposes of this clause, the expression "security" shall have the meaning assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);'.