

Finance Act 1999

Section 33 - Insertion of New Section 46a

After section 46 of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2000, namely :-

'46A. CAPITAL GAINS ON PURCHASE BY COMPANY OF ITS OWN SHARES OR OTHER SPECIFIED SECURITIES.

Where a shareholder or a holder of other specified securities receives any consideration from any company for purchase of its own shares or other specified securities held by such shareholder or holder of other specified securities, then, subject to the provisions of section 48, the difference between the cost of acquisition and the value of consideration received by the shareholder or the holder of other specified securities, as the case may be, shall be deemed to be the capital gains arising to such shareholder or the holder of other specified securities, as the case may be, in the year in which such shares or other specified securities were purchased by the company.

Explanation. - For the purposes of this section, "specified securities" shall have the meaning assigned to it in Explanation to section 77A of the Companies Acts, 1956 (1 of 1956).'
