

**Finance Act, 1987**

**Section 74 - Consequential Amendments**

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The following amendments (being amendments of a consequential nature) shall be made in the Income-tax Act, -

(a)(i) in section 32A, in the Explanation below sub-section (2B), clause (b) shall be omitted;

(ii) in section 54E, in Explanation 1 below sub-section (1), in clause (d), the Explanation shall be omitted;

(iii) in section 80L, in sub-section (1), in clause (ii), the Explanation shall be omitted;

(iv) in section 193, in the proviso, in clause (iib), the Explanation shall be omitted;

(b) with effect from the 1st day of June, 1987, -

(i) in section 272A, in sub-section (2), in clause (a), for the words, figures and letter ", section 285, section 285B or section 286", the words, figures and letter "or section 285B" shall be substituted;

(ii) in the Fourth Schedule in Part B, -

(1) for the figures and brackets "206(2)", in the heading at the beginning, the figures "206" shall be substituted;

(2) in rule 7, the words, brackets and figure "sub-section (1) of" shall be omitted;

(c) with effect from the 1st day of April, 1988, -

(i) in section 2, in clause (18), in sub-clause (b), in item (B), in sub-item (c), for the words, brackets, letter and figures "where such subsidiary company fulfils the conditions laid down in clause (b) of section 108", the words "if the whole of the share capital of such subsidiary company has been held by the parent company or by its nominees throughout the previous year" shall be substituted;

(ii) in clause (ii) of sub-section (4) of section 10A, in clause (i) of the Explanation below section 44C, in sub-section (2) of section 75, in clause (b) of sub-section (2) of section 77, in section 80, in sub-section (3) of section 139, in clause (iv) of sub-section (2) of section 141A, in sub-clause (iv) of clause (b) of sub-section (1) of section 143, in sub-section (4) of section 155, and in section 157, for the words, brackets and figures "sub-section (1) of section 74", the words, brackets and figures "sub-section (1) or sub-section (3) of section 74" shall be substituted;

(iii) in section 41, in sub-section (5), the words 'or under the head "Capital gains" shall be omitted;

(iv) in section 73, in the Explanation occurring at the end, for the words, brackets and figures "other than an investment company, as defined in clause (ii) of section 109", the words 'other than a company whose gross total income consists mainly of income which is chargeable under the heads "Interest on securities", "Income from house property", "Capital gains" and "Income from other sources"' shall be substituted;

(v) in section 155, in sub-section (10A), for the words "capital asset, not being a short-term capital asset", the words "long-term capital asset" shall be substituted;

(vi) in section 236A, -

(1) for the words, brackets and figures "In the case of an institution or fund referred to in clause (iii) of sub-section (2) of section 104", the words "Where seventy-five per cent. of the share capital of any company is throughout the previous year beneficially held by an institution or fund established in India for a charitable purpose the income from dividend whereof is exempt under section 11" shall be substituted;

(2) for the words "by such a company as is referred to in the said clause", the words "by such company" shall be substituted;

(vii) in section 246, in sub-section (2), in clause (a), the words and figures "or an order under section 104, made against the assessee, being a company" shall be omitted;

(viii) in section 280ZB, in Explanation 2, clause (a) shall be omitted.

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