

Finance Act, 1995

Section 14 - Amendment of Section 55

In section 55 of the Income-tax Act, in sub-section (2), in clause (aa), with effect from the 1st of April, 1996, -

(i) for the portion beginning with the words "in a case where" and ending with the words, brackets, figures and letter "sub-clauses (i) and (ii) of clause (b)", the following shall be substituted, namely :-

"in a case where, by virtue of holding a capital asset, being a share or any other security, within the meaning of clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956 (hereafter in this clause referred to as the financial asset), the assessee -

(A) becomes entitled to subscribe to any additional financial asset; or

(B) is allotted any additional financial asset without any payment,

then, subject to the provisions of sub-clauses (i) and (ii) of clause (b)";

(ii) after sub-clause (iii), the following sub-clause shall be inserted, namely :-

"(iiia) in relation to the financial asset allotted to the assessee without any payment and on the basis of holding of any other financial asset, shall be taken to be nil in the case of such assessee;".
