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INCOME-TAX ACT, 2025

E: Capital gains

**Section 68 - Capital gains on distribution of assets by companies in liquidation.**

(1) Irrespective of anything contained in section 67, where the assets of a company are distributed to its shareholders on its liquidation, such distribution shall not be regarded as a transfer by the company for the purposes of the said section.

(2) If a shareholder, on the liquidation of a company, receives any money or other assets from the company, then,––

(a) such shareholder shall be chargeable to income-tax under the head “Capital gains”, in respect of the money so received or the market value of the other assets on the date of distribution, as reduced by the amount assessed as dividend within the meaning of section 2(40)(c); and

(b) the sum so arrived at shall be deemed to be the full value of the consideration for the purposes of section 72.

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