Finance Act 1972

Section 4 - Amendment of Section 10

In section 10 of the Income-tax Act, -

(a) for clause (3), the following clause shall be substituted, namely :-

"(3) any receipts which are of a casual and non-recurring nature, not being winning from lotteries, to the extent such receipts do not exceed one thousand rupees in the aggregate :

Provided that this clause shall not apply to -

(i) capital gains chargeable under the provisions of section 45; or

(ii) receipts arising from business or the exercise of a profession or occupation; or

(iii) receipts by way of addition to the remuneration of an employee;;

(b) in clause (10), with effect from the 1st day of April, 1973, -

(i) for the words ",a local authority or a corporation established by a Central, State or Provincial Act", the words "or a local authority" shall be substituted;

(ii) for the portion beginning with the words "or any other gratuity" and ending with the words "whichever is less;", the following shall be substituted, namely :-

"any other gratuity received by an employee on his retirement or on his becoming incapacitated prior to such retirement or on termination of his employment, or any gratuity received by his widow, children or dependants on his death, to the extent it does not, in either case, exceed one-half month salary for each year of completed service, calculated on the basis of the average salary for the three years immediately preceding the year in which the gratuity is paid, subject to a maximum of twenty-four thousand rupees or 15 months salary so calculated, whichever is less;";

(c) in clause (25), after sub-clause (iii), the following sub-clause shall be inserted with effect from the 1st day of April, 1973, namely :-

"(iv) any income received by the trustees on behalf of an approved gratuity fund;".