

Finance Act 1972

Section 7 - Amendment of Section 13

In section 13 of the Income-tax Act, with effect from the 1st day of April, 1973, -

(a) in sub-section (1), -

(i) in the opening portion, for the words and figures "Nothing contained in section 11", the words and figures "Nothing contained in section 11 or section 12" shall be substituted;

(ii) the following Explanation shall be inserted at the end, namely :-

"Explanation : For the purposes of sub-clause (ii) of clause (c), in determining whether any part of the income or any property of any trust or institution is during the previous year used or applied, directly or indirectly, for the benefit of any person referred to in sub-section (3), in so far as such use or application relates to any period before the 1st day of July, 1972, no regard shall be had to the amendments made to this section by section 7 [other than sub-clause (ii) of clause (a) thereof] of the Finance Act, 1972.";

(b) in sub-section (2), for clause (g), the following clause shall be substituted, namely :-

"(g) if any income or property of the trust or institution is diverted during the previous year in favour of any person referred to in sub-section (3) :

Provided that this clause shall not apply where the income, or the value of the property or, as the case may be, the aggregate of the income and the value of the property, so diverted does not exceed one thousand rupees;"

(c) in sub-section (3), -

(i) after clause (c), the following clause shall be inserted, namely :-

"(cc) any trustee of the trust or manager (by whatever name called) of the institution;"

(ii) in clause (d), for the words "or member", the words "member, trustee or manager" shall be substituted;

(iii) in clause (e), for the brackets and letter "(c)", the brackets and letters "(c), (cc)" shall be substituted;

(d) in sub-section (4), for the word and figures "section 11", the words and figures "section 11 or section 12" shall be substituted;

(e) for Explanation 1, the following Explanation shall be substituted, namely :-

Explanation 1 : For the purposes of section 11, 12, 12A and this section," trust" includes any other legal obligation and for the purposes of this section "relative", in relation to an individual, means -

(i) spouse of the individual;

(ii) brother or sister of the individual;

(iii) brother or sister of the spouse of the individual;

(iv) any lineal ascendant or descendant of the individual;

(v) any lineal ascendant or descendant of the spouse of the individual;

(vi) spouse of a person referred to in sub-clause (ii), sub-clause (iii), sub-clause (iv) or sub-clause (v);

(vii) any lineal descendant of a brother or sister of either the individual or of the spouse of the individual..
