**Finance Act 1972**

**Section 9 - Insertion of New Section 54c**

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In the Income-tax Act, after section 54B, the following section shall be inserted with effect from the 1st day of April, 1973, namely :-

54C. Capital gain on transfer of jewellery held for personal use not to be charged in certain cases. - Where the capital gain arises from the transfer of a capital asset, being jewellery held for personal use by the assessee or any member of his family dependent on him, and the assessee has, within a period of six months after such transfer, acquired any other jewellery for personal use by the assessee or any member of his family dependent on him, the capital gain shall be dealt with in accordance with the following provisions of this section, that is to say, -

(i) if the cost of the jewellery so acquired is not less than full value of the consideration received or accruing in respect of the transferred jewellery, the whole of such capital gain shall not be charged under section 45; or

(ii) if the cost of the jewellery so acquired is less than the full value of the consideration received or accruing in respect of the transferred jewellery, so much of the capital gain as bears to the whole of the capital gain the same proportion as the cost of the jewellery so acquired bears to the full value of the consideration received or accruing in respect of the transferred jewellery shall not be charged under section 45.

Explanation : For the purposes of this section, "jewellery" shall have the same meaning as is assigned to it in the Explanation to sub-clause (ii) of clause (14) of section 2..

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