

Finance Act, 1992

Section 89 - Amendment of Section 2

In section 2 of the Wealth-tax Act, 1957 (27 of 1957) (hereinafter referred to as the Wealth-tax Act), with effect from the 1st day of April, 1993, -

(a) in clause (e), in sub-clause (2), in the opening portion, after the words "subsequent assessment year", the words, figures and letters "but before the 1st day of April, 1993" shall be inserted;

(b) after clause (e), the following clause shall be inserted, namely :-

'(ea) "assets", in relation to the assessment year commencing on the 1st day of April, 1993, or any subsequent assessment year, means -

(i) any guest house and any residential house [including a farm house situated within twenty-five kilometres from the local limits of any municipality (whether known as a municipality, municipal corporation, notified area committee, town area committee, town committee or by any other name) or a cantonment board], but does not include -

(1) a house meant exclusively for residential purposes and which is allotted by a company to an employee or an officer or a director who is in whole-time employment, having a gross annual salary of less than two lakh rupees;

(2) any house for residential purposes which forms part of stock-in-trade;

(ii) motor cars (other than those used by the assessee in the business of running them on hire or as stock-in-trade);

(iii) jewellery, bullion and furniture, utensils or any other article made wholly or partly of gold, silver, platinum or any other precious metal or any alloy containing one or more of such precious metals :

Provided that where any of the said assets is used by the assessee as stock-in-trade, such asset shall be deemed as excluded from the assets specified in this sub-clause;

(iv) yachts, boats, and aircrafts (other than those used by the assessee for commercial purposes);

(v) urban land;

(vi) cash in hand, in excess of fifty thousand rupees, of individuals and Hindu undivided families and in the case of other persons any amount not recorded in the books of account.

Explanation : For the purposes of this clause, -

(a) "jewellery" includes -

(i) ornaments made of gold, silver, platinum or any other precious metal or any alloy containing one or more of such precious metals, whether or not containing any precious or semi-precious stones, and whether or not worked or sewn into any wearing apparel;

(ii) precious or semi-precious stones, whether or not set in any furniture, utensils or other article or worked or sewn into any wearing apparel;

(b) "urban land" means land situate -

(i) in any area which is comprised within the jurisdiction of a municipality (whether known as a municipality, municipal corporation, notified area committee, town area committee, town committee, or by any other name) or a cantonment board and which has a population of not less than ten thousand according to the last preceding census of which the relevant figures have been published before the valuation date; or

(ii) in any area within such distance, not being more than eight kilometres from the local limits of any municipality or cantonment board referred to in sub-clause (i), as the Central Government may, having regard to the extent of, and scope for, urbanisation of that area and other relevant considerations, specify in this behalf by notification in the Official Gazette,

but does not include land on which construction of a building is not permissible under any law for the time being in force in the area in which such land is situated or the land occupied by any building which has been constructed with the approval of the appropriate authority or any unused land held by the assessee for industrial purposes for a period of two years from the date of its acquisition by him;';

(c) in clause (m), for the portion beginning with the words "on the valuation date other than -" and ending with the words, brackets, figures and letter "under sub-section (1A) of section 5;"; the words "on the valuation date which have been incurred in relation to the said assets;" shall be substituted.