

Finance Act, 1992

Section 91 - Amendment of Section 4

In section 4 of the Wealth-tax Act, with effect from the 1st day of April, 1993, -

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

(i) in sub-clause (ii), the words "to whom such assets have been transferred by the individual, directly or indirectly, otherwise than for adequate consideration," shall be omitted;

(2) in sub-clause (iii), the words "or minor child (not being a married daughter) or both" shall be omitted;

(3) in sub-clause (v), the words "or the son's minor child," shall be omitted;

(4) in sub-clause (vi), the words "or the son's minor child" shall be omitted;

(5) after the existing proviso, the following provisos shall be inserted, namely :-

"Provided further that nothing contained in sub-clause (ii) shall apply in respect of such assets as have been acquired by the minor child out of his income referred to in the proviso to sub-section (1A) of section 64 of the Income-tax Act and which are held by him on the valuation date :

Provided also that where the assets held by a minor child are to be included in computing the net wealth of an individual, such assets shall be included, -

(a) where the marriage of his parents subsists, in the net wealth of that parent whose net wealth (excluding the assets of the minor child so includible under this sub-section) is greater; or

(b) where the marriage of his parents does not subsist, in the net wealth of that parent who maintains the minor child in the previous year as defined in section 3 of the Income-tax Act,

and where any such assets are once included in the net wealth of either parent, any such assets shall not be included in the net wealth of the other parent in any succeeding year unless the Assessing Officer is satisfied, after giving that parent an opportunity of being heard, that it is necessary so to do.";

(ii) in clause (b), -

(1) in the opening portion, for the words "interest in the firm", the words "interest in the assets of the firm" shall be substituted;

(2) for the proviso, the following proviso shall be substituted, namely :-

"Provided that where a minor is admitted to the benefits of partnership in a firm, the value of the interest of such minor in the firm, determined in the manner specified above, shall be included in the net wealth of the parent of the minor, so far as may be, in accordance with the provisions of the third proviso to clause (a).";

(b) in sub-section (1A), in clause (c) and the proviso thereunder, the words "or minor child", wherever they occur, shall be omitted;

(c) sub-section (3) shall be omitted.

SooperKanoon - India's Premier Online Legal Search - sooperkanoon.com