

**Finance Act, 1984**

**Section 34 - Amendment of Act 27 of 1957**

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**WEALTH-TAX**

In the Wealth-tax Act, 1957, with effect from the 1st day of April, 1985, -

(a) in section 5, -

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

(1) In clause (iv), in the proviso, for the words "one hundred thousand rupees", at both the places where they occur, the words "two hundred thousand rupees" shall be substituted;

(2) after clause (xxv), the following clause shall be inserted, namely :-

"(xxva) any deposits under such National Deposit Scheme as may be framed by the Central Government and notified by it in this behalf in the Official Gazette;"

(3) after clause (xxvii), the following clause shall be inserted, namely :-

"(xxviiia) any deposits with the Industrial Development Bank of India established under the Industrial Development Bank of India Act, 1964 (18 of 1964);"

(ii) in sub-section (1A), -

(1) for the brackets and figures "(xxvi), (xxvii)", the brackets, figures and letters "(xxva), (xxvi), (xxvii), (xxviiia)", shall be substituted;

(2) for the words "one hundred and sixty-five thousand rupees", at both the places where they occur, the words "two hundred and sixty-five thousand rupees" shall be substituted;

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

"Provided further that where the assets of the assessee include any assets, being units referred to in clause (xxv) or any deposits referred to in clause (xxva), wealth-tax shall not be payable by the assessee in respect of, and there shall not be included in the net wealth of the assessee, so much of the value of such assets as has not been excluded from the net wealth of the assessee under this sub-section; so, however, that the value of the assets excluded under this proviso shall not exceed thirty-five thousand rupees :

Provided also that where the value of any assets, being deposits referred to in clause (xxva), has not been excluded from the net wealth of the assessee under the foregoing provisions of this sub-section, so much of the value of such assets as has not been so excluded shall be excluded from the net wealth of the assessee; so, however, that the value of the assets so excluded under this proviso shall not exceed twenty-five thousand rupees."

(iii) in sub-section (3), for the brackets and figures "(xxvi), (xxvii)", the brackets, figures and letters "(xxva), (xxvi), (xxvii), (xxviiia)", shall be substituted;

(b) in section 21A, -

(1) for the portion beginning with the brackets, figure and words "(i) any part of such property" and ending with the words "beneficial to the revenue :", the following shall be

substituted, namely :-

"(i) any part of such property or any income of such trust [whether derived from such property or from voluntary contributions referred to in sub-clause (iia) of clause (24) of section 2 of the Income-tax Act] is used or applied, directly or indirectly, for the benefit of any person referred to in sub-section (3) of section 13 of the Income-tax Act, or

(ii) any part of the income of the trust [whether derived from such property or from voluntary contributions referred to in sub-clause (iia) of clause (24) of section 2 of the Income-tax Act], being a trust created on or after the 1st day of April, 1962, enures, directly or indirectly, for the benefit of any person referred to in sub-section (3) of section 13 of the said Act, or

(iii) any funds of the trust are invested or deposited, or any shares in a company are held by the trust, in contravention of the provisions of clause (d) of sub-section (1) of section 13 of the Income-tax Act,

wealth-tax shall be leviable upon, and recoverable from, the trustee or manager (by whatever name called) in the like manner and to the same extent as if the property were held by an individual who is a citizen of India an resident in India for the purposes of this Act, but without excluding the value of any asset under sub-section (1) of section 5, and at the maximum marginal rate :";

(2) after the second proviso, the following proviso shall be inserted, namely :-

Provided also that, -

(a) in the case of any association referred to in clause (21) of section 10 of the Income-tax Act,

(i) the provisions of clause (i) and clause (ii) shall not apply; and

(ii) the other provisions of this section shall apply with the modifications that, -

(1) for the words, brackets, letter and figures "in contravention of the provisions of clause (d) of sub-section (1) of section 13 of the Income-tax Act", the words, brackets and figures "in contravention of the provisions contained in the proviso to clause (21) of section 10 of the Income-tax Act" had been substituted; and

(2) for the words "at the maximum marginal rate", the words and figures "at the rates specified in Part I of Schedule I in the case of an individual" had been substituted;

(b) in the case of any institution, fund or trust referred to in clause (22) or clause (22A) or clause (23B) or clause (23C) of section 10 of the Income-tax Act, the provisions of clauses (i) to (iii) shall not apply.;

(3) in the Explanation after clause (a), the following clause shall be inserted, namely :-

'(aa) "maximum marginal rate" means the rate of wealth-tax applicable in relation to the highest slab of wealth in the case of an individual as specified in Part I of Schedule I;'