

Finance Act, 1982

Section 4 - Amendment of Section 10

In section 10 of the Income-tax Act, -

(a) for clause (4A), the following clause shall be substituted, namely :-

'(4A) in the case of a person resident outside India, any income from interest on moneys standing to his credit in a Non-resident (External) Account in any bank in India in accordance with the Foreign Exchange Regulation Act, 1973 (46 of 1973), and any rules made thereunder.

Explanation : In this clause, "person resident outside India" shall have the meaning assigned to it in clause (q) of section 2 of the Foreign Exchange Regulation Act, 1973 (46 of 1973);

(b) after clause (4A), the following clause shall be inserted with effect from the 1st day of April, 1983, namely :-

'(4B) in the case of an individual, being a citizen of India or a person of Indian origin, who is a non-resident, any income from interest on such savings certificates issued by the Central Government as that Government may, by notification in the Official Gazette, specify in this behalf :

Provided that the individual has subscribed to such certificates in convertible foreign exchange remitted from a country outside India in accordance with the provisions of the Foreign Exchange Regulation Act, 1973 (46 of 1973), and any rules made thereunder.

Explanation : For the purposes of this clause, -

(a) a person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India;

(b) "convertible foreign exchange" means foreign exchange which is for the time being treated by the Reserve Bank of India as convertible foreign exchange for the purposes of the Foreign Exchange Regulation Act, 1973 (46 of 1973), and any rules made thereunder;'

(c) after clause (10A), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1978, namely :-

'(10AA)(i) any payment received by an employee of the Central Government or a State Government as the cash equivalent of the leave salary in respect of the period of earned leave at his credit at the time of his retirement on superannuation or otherwise;

(ii) any payment of the nature referred to in sub-clause (i) received by an employee, other than an employee of the Central Government or a State Government, in respect of so much of the period of earned leave at his credit at the time of his retirement on superannuation or otherwise as does not exceed six months calculated on the basis of the average salary drawn by the employee during the period of ten months immediately preceding his retirement on superannuation or otherwise, or thirty thousand rupees, whichever is less :

Provided that where any such payments are received by an employee from more than one employer in the same previous year, the aggregate amount exempt from income-tax under this sub-clause shall not exceed thirty thousand rupees :

Provided further that where any such payment or payments was or were received in any one or more earlier previous years also and the whole or any part of the amount of such payment or payments was or were not included in the total income of the assessee of such previous year or years, the amount exempt from income-tax under this sub-clause shall not exceed thirty thousand rupees, as reduced by the amount or, as the case may be, the aggregate amount not included in the total income of any such previous year or years :

Provided also that the Central Government may, having regard to the maximum amount which may for the time being be exempt under sub-clause (i), increase, by notification in the Official Gazette, the limit of thirty thousand rupees, for all the three purposes for which it has been mentioned in the foregoing provisions of this sub-clause, up to such maximum amount :

Provided also that in relation to an employee retiring on superannuation or otherwise before the 1st day of January, 1982, the proviso immediately preceding this proviso shall not apply and the remaining provisions of this sub-clause shall have effect as if for the words "thirty thousand rupees", at the three places where they occur, the words "twenty-five thousand five hundred rupees" had been substituted.

Explanation : For the purposes of sub-clause (ii), -

(i) the entitlement to earned leave of an employee shall not exceed thirty days for every year of actual service rendered by him as an employee of the employer from whose service he has retired;

(ii) "salary" shall have the meaning assigned to it in clause (h) of rule 2 of Part A of the Fourth Schedule;;

(d) in clause (15), after sub-clause (iia), the following sub-clause shall be inserted with effect from the 1st day of April, 1983, namely :-

"(iib) Interest on such Capital Investment Bonds as the Central Government may, by notification in the Official Gazette, specify in this behalf;".