Finance Act, 1982

Section 38 - Amendment of Section 5

In section 5 of the Gift-tax Act, 1958 (18 of 1958) (hereinafter referred to as the Gift-tax Act), in sub-section (1), with effect from the 1st day of April, 1983, -

(a) after clause (iia), the following clauses shall be inserted, namely :-

"(iib) being a person resident outside India, out of the moneys standing to his credit in a Non-resident (External) Account in any bank in India in accordance with the provisions of the Foreign Exchange Regulation Act, 1973 (46 of 1973), and any rules thereunder.

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

(iic) being a citizen of India, or a person of India origin, who is not resident in India, to any relative of such person in India, of 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 and clause (iid), -

(a) a person shall be deemed to be of Indian origin if he or either of his parents or any 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) "relative" has the meaning assigned to it in clause (41) of section 2 of the Income-tax Act;

(d) "resident in India" shall have the meaning assigned to it in the Income-tax Act;

(iid) being a citizen of India or a person of India origin, who is not resident in India, to any relative of such person in India of property in the form of savings certificates issued by the Central Government, which that Government may, by notification in the Official Gazette, specify in this behalf :

Provided that such person 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;

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

(iiic) of property in the form of such Capital Investment Bonds as the Central Government may, by notification in the Official Gazette, specify in this behalf subject to a maximum of rupees ten lakhs in value in the aggregate in one or more previous years :

Provided that the exemption conferred by this clause shall be available only to a person who has initially subscribed to the said Bonds;".