

The Wealth-Tax (Exemption of Heirloom Jewellery of Rulers) Rules, 1958

UNION OF INDIA

India

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Rule

THE-WEALTH-TAX-EXEMPTION-OF-HEIRLOOM-JEWELLERY-OF-RULERS of 1958

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1755.

G.S.R. 719, dated the 18th August, 1958. - In exercise of the powers conferred by clause (xiv) of sub-section (1) of Section 5 of the Wealth-tax Act, 1957 (27 of 1957), the Central Government hereby makes the following rules subject to which the [Central Board of Direct Taxes] [Substituted by G.S.R. 38, dated 1st January, 1964] may recognise certain jewellery of Rulers as their heirloom for purposes of exemption from wealth-tax under the said clause, namely:

1. Short title.

- These rules may be called the Wealth-tax (Exemption of Heirloom Jewellery of Rulers) Rules, 1958.

2. Application for recognition of jewellery as heirloom.

- A Ruler desiring to obtain recognition of any jewellery in his possession, not being his personal property, as his heirloom for the purposes of clause (xiv) of sub-section (1) of Section 5 of the Wealth-tax Act, 1957, shall make an application to the [Central Board of Direct Taxes] [Substituted by G.S.R. 38, dated 1st January, 1964] in the form annexed hereto.

3. Conditions of recognition.

- On the receipt of an application under rule 2, the [Central Board of Direct Taxes] [Substituted by G.S.R. 38, dated 1st January, 1964] may recognise any such jewellery as is specified in the application as the heirloom of a Ruler subject to the conditions that the following declarations are made by the Ruler in the application, namely :-(a)that the jewellery was in existence before the 13th day of April, 1950, as part of his own insignia in the status of a Ruler or that of his predecessor in status;(b)that the jewellery is, to all intents and purposes, treated by the Ruler as his dynastic property to be used by him or his successor in status, on ceremonial occasions or otherwise to be retained in his family;(c)that the jewellery shall be permanently kept in India and shall not be removed outside India except for a purpose and a period approved by the [Central Board of Direct Taxes] [Substituted by G.S.R. 38, dated 1st January, 1964];(d)that reasonable steps shall be taken for keeping the jewellery substantially in its original shape;(e)that reasonable facilities shall be allowed to any officer of Government authorised by the [Central Board of Direct Taxes] [Substituted by G.S.R. 38, dated 1st January, 1964] in this behalf to examine the jewellery as and when necessary.

4. Period of validity of recognition.

- A recognition accorded by the [Central Board of Direct Taxes] [Substituted by G.S.R. 38, dated 1st January, 1964] in respect of any jewellery shall be available to the Ruler in whose possession the article is at the time of such recognition and also to his successor in status. In the event of sale of such jewellery, intimation of the sale and the sale price shall be given to the [Central Board of Direct Taxes] [Substituted by G.S.R. 38, dated 1st January, 1964] by the Ruler concerned within a month of the sale.

5. Withdrawal of recognition.

(1)If subsequent to the date of recognition it transpires that any declaration made in the application has been falsely made or is not being duly fulfilled, [Central Board of Direct Taxes] [Substituted by G.S.R. 38, dated 1st January, 1964] may for reasons to be recorded in writing withdraw the recognition retrospectively with effect from the date when the recognition first became available to the Ruler and in such a case wealth-tax shall become payable by the Ruler or his successor as the case may be for all the assessment years for which the jewellery was exempted on account of the recognition :Provided that the aggregate amount of the wealth-tax payable in respect of the jewellery for all the said assessment years shall not in any case exceed 50% of its market value on the valuation date relevant for the assessment year in which the recognition was withdrawn.(2)[(i)] In the event of sale or disposal of the article subsequent to the date of recognition, the [Central Board of Direct Taxes] [Renumbered by G.S.R. 128, dated 19th January, 1963] shall withdraw the recognition, retrospectively with effect from the date when the recognition first became available to the Ruler and in such a case wealth-tax shall become payable by the Ruler or his successor, as the case may be, for all the assessment years for which the jewellery was exempted on account of the recognition, and for this purpose, the proceeds from the sale or disposal of the jewellery or the price which in the opinion of the Wealth-tax Officer it would fetch if sold in the open market on the date of sale or disposal, whichever is higher, shall be taken to be the market value thereof, on each

successive valuation date relevant for the assessment years aforesaid. Provided that the aggregate amount of the wealth-tax payable in respect of the jewellery for all the said assessment years shall not in any case exceed 50% of its market value as determined under this sub-rule. (ii) [Inserted *ibid*] Nothing in clause (i) shall apply to—(a) the disposal of the gold contents of an article by way of subscription to the 6½ per cent. Gold Bonds, 1977; (b) stones or gems, real or artificial, pearls, real, cultured or imitation or any material used for forming part of jewellery (hereinafter referred to as things) left as a residue after removal of the gold from an article for the purpose referred to in clause (a); Provided that—(1) the things are kept by the Ruler permanently in his possession within India; (2) facilities are allowed to any officer of the Government authorised by the [Central Board of Direct Taxes] [Substituted by G.S.R. 38, dated 1st January, 1964] in that behalf to examine such things, as and when necessary; (c) the article or things sold at market value to the extent the proceeds thereof are invested in 10-year Defence Deposit Certificates or 12-year National Defence Certificates or 4½ per cent. National Defence Bonds, 1972; (d) the article which is donated to the National Defence Fund: Provided that information relating to—(1) the transactions specified in clause (a) or clause (c) as the case may be; (2) retention of things referred to in clause (b); and (3) donation of an article referred to in clause (d); is intimated in writing to the [Central Board of Direct Taxes] within sixty days thereof or within such further period as the Board may allow. [Substituted by G.S.R. 38, dated 1st January, 1964.] Form of Application for recognition of jewellery as heirloom (See rule 2) To The Secretary, [Central Board of Direct Taxes] [Sic, should be omitted], New Delhi. Dear Sir, Subject:—Wealth tax Act, 1957—Clause (xiv) of sub-section (1) of Section 5—Recognition of jewellery as heirloom. I Ruler/Successor to the Ruler, of former Indian State..... hereby request the [Central Board of my heirloom under Wealth-tax] [Substituted by G.S.R. 38, dated 1st January, 1964] (Exemption of Heirloom Jewellery of Rulers) Rules, 1958, for the purposes of clause (xiv) of sub-section (1) of Section 5 of the Wealth-tax Act, 1957. I hereby declare that:—(a) the said articles of jewellery are in my possession and are not my personal property; (b) the articles were in existence before the 13th day of April, 1950, as part of my/my predecessor's own insignia in the status of a Ruler/and were recognised by the [Central Board of Revenue/Central Board of Direct Taxes] [Substituted by G.S.R. 38, dated 1st January, 1964] as heirloom jewellery in the case of....., my processor; (c) the articles are, to all intents, and purposes, treated by me as my dynastic property to be used by me and my successor in status on ceremonial occasion or otherwise to be retained in my family; (d) the articles shall be kept permanently in India and shall not be removed outside India except for a purpose and a period approved by the [Central Board of Direct Taxes] [Substituted by G.S.R. 38, dated 1st January, 1964]; (e) reasonable steps shall be taken for keeping the articles substantially in their original shape; (f) reasonable facilities shall be allowed to any officer of the Government authorised by the [Central Board of Direct Taxes] [Sic, should be omitted] in that behalf to examine the articles as and when necessary; (g) I have read the Wealth-tax (Exemption of Heirloom Jewellery of Rulers) Rules, 1958, and I agree to abide by them. Yours faithfully, Place Date ANNEXURE-A

Sl. No.	Description of the jewellery	Approximate weight	Approximate value
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[*NOTE—Strike out the inappropriate.] [Ins., *ibid*] [Ministry of Finance (Dept. of Revenue) No. W.T.1.] NOTIFYING SCHEMES OF FIXED DEPOSITS FOR THE PURPOSES OF SECTION 5 (1) (XV) S.O. 2064, dated the 4th June, 1968. - In pursuance of clause (xv) of sub-section (1) of Section 5

of the Wealth-tax Act, 1957 (27 of 1957), the Central Government hereby notifies the scheme of fixed deposits governed by the Government Savings Certificates (Fixed Deposits) Rules, 1968 and the scheme of fixed deposits governed by the Post Office (Fixed Deposit) Rules, 1968, as schemes to which the said clause shall apply.[Ministry of Finance (Dept. of Revenue and Insurance) No.49/F. No.1 (211)/68-TPL.][Gazette of India, Extraordinary, 1968, Pt.II, Sec.3 (ii), page 675.]