

**VOLUNTARY DEPOSITS (IMMUNITIES AND EXEMPTIONS)
ACT, 1991**

47 of 1991

[20th September, 1991]

CONTENTS

1. Short the and extent
2. Definitions
3. Immunities
4. Deposit not to be taken Into account in certain cases
5. Amendment of Act 53 of 1987

**VOLUNTARY DEPOSITS (IMMUNITIES AND EXEMPTIONS)
ACT, 1991**

47 of 1991

[20th September, 1991]

An Act to provide for certain immunities to persons making voluntary deposits with the National Housing Bank and for certain exemptions from direct taxes in relation to such deposits and for matters connected therewith or incidental thereto. Whereas for effective economic and social planning it is necessary to canalise for certain social objectives black money which has become a serious threat to the national economy; And whereas with a view to such canalisation, the Central Government has decided to allow voluntary deposits being made with the National Housing Bank in accordance with a scheme to be formulated by that Bank whereunder forty per cent of the amount of such deposits will be credited to a special fund to be created for financing slum clearance and low cost housing for the poor and sixty per cent of the amount of such .deposits can be utilised by the depositors for purposes specified by them; And whereas it is expedient to provide for certain immunities and exemptions to render it possible for persons in. possession of black money to make such deposits; Be it enacted by Parliament in the Forty-second Year of the Republic of India as follows:-

1. Short the and extent :-

(1) This Act may be called the Voluntary Deposits (Immunities and Exemptions) Act, 1991.

(2) It extends to the whole of India.

2. Definitions :-

In this Act, unless the context otherwise requires,-

(a) "deposit" means a voluntary deposit made by any person with the National Housing Bank in accordance with the scheme on or after the commencement of this Act but before the specified date.

Explanation.-For the purposes of this clause, "specified date" means the 1st day of December, 1991 or such other later date as the Central Government may, by notification in the Official Gazette, specify in this behalf;

(b) "National Housing Bank" means the National Housing Bank established under Section 3 of the National Housing Bank Act, 1987 ;

(c) "net deposit" means sixty per cent of the amount of deposit made by any person with the National Housing Bank in accordance with the scheme;

(d) "person" includes-

(i) an individual,

(ii) a Hindu undivided family,

(iii) a company,

(iv) a firm,

(v) an association of persons or a body of individuals whether incorporated or not, and

(vi) every artificial juridical person, not falling within any of the preceding sub-clauses, but does not include a local authority;

(e) "scheme" means a scheme formulated by the National Housing Bank under National Housing Bank Act, 1987 for the purpose of enabling-

(i) any person to make deposit with that Bank;

(ii) such Bank to credit forty per cent of the amount of such deposit to a special fund created for financing slum clearance and low cost housing for the poor; and

(iii) the depositor to utilise the net deposit for any purpose specified by him;

NOTES A 'scheme', according to the dictionary meaning of that word, is 'a carefully arranged and systematic programme of action', a 'systematic plan for attaining some object', 'a project', 'a system of correlated things'. The systematic programme of action has to be a consensual arrangement between two or more persons under which, the subscriber agrees to advance or lend money on promise of being paid more money on the happening of any event or contingency relative or applicable to the enrolment of members into the programme. Suite of W.B. v. Swapan Kumar Guha, (1982) 1 SCC 561,570: 1982 SCC (Cri) 283.

(f) all other words and expressions used in this Act but not defined and defined in Income-tax Act, 1961 shall have the meanings respectively assigned to them in that Act.

3. Immunities :-

(1) Notwithstanding anything contained in any other law for the time being in force,-

(a) no person, who has made a deposit with the National Housing Bank in accordance with the scheme, shall be required to disclose, for any purpose whatsoever, the nature and source of the deposit;

(b) no inquiry or investigation shall be commenced against any person under any such law on the ground that he has made the deposit;

(c) the fact that a person has made the deposit shall not be taken into account and shall be inadmissible as evidence in any proceedings relating to any offence or the imposition of any penalty under any such law.

(2) Nothing in sub-section (1) shall apply in relation to prosecution for any offence punishable under Chapter IX or Indian Penal Code, 1860 , Narcotic Drugs and Psychotropic Substances Act, 1985 , Terrorist and Disruptive Activities (Prevention) Act, 1987 , Prevention of Corruption Act, 1988 or for the purpose of enforcement of any civil liability.

4. Deposit not to be taken Into account in certain cases :-

Without prejudice to the generality of the provisions of Section 3 , -

(a) the deposit shall not be taken into account for the purpose of any proceeding under Income-tax Act, 1961 and, in particular, the depositor shall not be entitled to claim any set-off or relief in any assessment, re-assessment, appeal, reference or other proceeding under that Act or to re-open any assessment or re-assessment made under that Act on the ground that he has made such deposit.

Explanation.-For the avoidance of doubt, it is hereby declared that the provisions of the Income-tax Act, 1961 (43 of 1961) will apply to any income which accrues or arises or is deemed to accrue or arise to the depositor from the amount of the net deposit;

(b) the deposit shall not form part of the assets of any assessee for the purposes of computing his net wealth under Wealth-tax Act, 1957 in relation to any assessment year commencing before the 1st day of April, 1992.

5. Amendment of Act 53 of 1987 :-

In National Housing Bank Act, 1987

(a) in Section 14,-

(i) in clause (b), after the words "scheduled banks", the words "or to any authority established by or under any Central, State or Provincial Act and engaged in slum clearance" shall be inserted ;

(ii) after clause (A), the following clause shall be inserted, namely - "(hh) formulating a scheme for the purpose of accepting deposits referred to in clause (a) of S.2 of the Voluntary Deposits (Immunities and Exemptions) Act, 1991 and crediting forty per cent of the amount of such deposits to a special fund created under Section 37;";

(b) in Section 15, in sub-section (1), to clause (c), the following proviso shall be added, namely:- "Provided that nothing contained in this clause shall apply to deposits accepted under the scheme formulated by the Bank in pursuance of clause (hh) of Section 14;";

(c) in Section 55, in sub-section (5), for the word "regulation", wherever it occurs, the words "regulation or scheme" shall be substituted.

