Explanation 1 of section 13 of Income Tax Act, 1961 states that “Relative” in relation to an individual means:

**Specified Person’s:**

Spouse (Wife/ Husband)

Brother

Sister

Lineal Ascendant\*

Lineal Ascendant's Spouse

Lineal Descendant\*\*

Lineal Descendant's Spouse

Brother Spouse

Sister Spouse

Brother's Lineal Descendant (Children/ Grandchildren of Brother)

Sister's Lineal Descendant (Children/ Grandchildren of Sister)

**Specified Person’s Spouse's:**

Brother

Sister

Lineal Ascendant (Parents (father- mother)/ Grand Parents )

Lineal Ascendant's Spouse (Parents (father- mother)/ Grand Parents )

Brother's Spouse

Sister's Spouse

Brother’s Lineal Descendant

Sister’s Lineal Descendant

\*Lineal Ascendant means a blood relative in the direct line of ascent, such as Parents, Grandparents, Great Grandparents

\*\* Lineal Descendant means a blood relative in the direct line of descent, such as Children, Grandchildren, Great Grandchildren

**PROVISIONS OF SUB-SECTION (3) READ WITH EXPLANATION 1 OF SECTION 13 OF THE INCOME TAX ACT, 1962**

Specified Person as per section 13(3) is defined as follows:

1. The author of the trust or the founder of the institution

2. Any person who had made a total contribution (upto the end of the relevant previous year) of an amount exceeding Rs 50,000/-

3. Any member of the HUF (or any relative\* of such member) where such author or founder or substantial contributor is a HUF

4. Any trustee of the trust or manager (by whatever name called) of the institution

5. Any relative\* of such author, founder, substantial contributor, member, trustee or manager 6. Any concern in which any of the persons referred to above has a substantial interest^.

^Substantial Interest: A person will be deemed to have substantial interest in a company if he (or along with ‘specified persons’ mentioned above) beneficially holds at least 20% equity share capital of the company at any time during the previous year. In case of a concern other than a company, a person will be deemed to have substantial interest if he (or along with ‘specified persons’ mentioned above) is entitled to at least 20% of the profits of such concern at any time during the previous year.

\*Relative (as defined in the “Explanation 1” of the Section 13 of the Income Tax Act, 1961) in relation to Individual means:

1. Spouse of the individual

2. Brother or sister of the individual

3. Brother or sister of the spouse of the individual

4. Any lineal ascendant or descendant of the individual

5. Any lineal ascendant or descendant of the spouse of the individual

6. Spouse of a person referred to in 2, 3, 4 or 5 above 7. Any lineal ascendant or descendant of a brother or sister of either the individual or of the spouse of the individual.