

Finance Act, 1989

Section 9 - Amendment of Section 43b

In section 43B of the Income-tax Act [as amended by section 15 of the Direct Tax Laws (Amendment) Act, 1987 (4 of 1988), and section 12 of the Finance Act, 1988 (26 of 1988)], -

(a) for the second proviso, the following proviso shall be substituted, namely :-

"Provided further that no deduction shall, in respect of any sum referred to in clause (b), be allowed unless such sum has actually been paid in cash or by issue of a cheque or draft or by any other mode on or before the due date as defined in the Explanation below clause (va) of sub-section (1) of section 36, and where such payment has been made otherwise than in cash, the sum has been realised within fifteen days from the due date.";

(b) after Explanation 1, the following Explanation shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1984, namely :-

'Explanation 2 : For the purposes of clause (a), as in force at all material times, "any sum payable" means a sum for which the assessee incurred liability in the previous year even though such sum might not have been payable within that year under the relevant law.';

(c) Explanation 2 and Explanation 3 shall be renumbered as Explanation 3 and Explanation 4 respectively.
