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**Finance Act, 2002**

**Section 19 - AMENDMENT OF SECTION 36 -In Section 36-of the Income Tax Act, in sub- section**

1), in clause (vii-a), with effect from the 1st day of April, 2003,- (i) in sub-clause (a),- (A) for the words "not exceeding five per cent", the words "not exceeding seven and one-half per cent" shall be substituted; (B) after the proviso and before the Explanation, the following proviso shall be inserted, namely:- 'Provided further that for the relevant assessment years commencing on or after the 1st day of April, 2003 and ending before the 1st day of April, 2005, the provisions of the first proviso shall have effect as if for the words "five per cent", the words "ten per cent" had been substituted. (ii) in sub-clause (c), the following proviso shall be inserted, namely:- "Provided that a public financial institution or a State financial corporation or a State industrial investment corporation referred to in this sub-clause shall, at its option, be allowed in any of the two consecutive assessment years commencing on or after the 1st day of April, 2003 and ending before the 1st day of April, 2005, deduction in respect of any provision made by it for any assets classified by the Reserve Bank of India as doubtful assets or loss assets in accordance with the guidelines issued by it in this behalf, of an amount not exceeding ten per cent of the amount of such assets shown in the books of account of such institution or corporation, as the case may be, on the last day of the previous year."