Finance Act, 2005

Section 32 - In Section 32 of the Income Tax Act, in subsection

SECTION 8: Amendment of 1), (a) for clause (ii-a), the following clause shall be substituted with effect from the 1st day of April, 2006, namely: '(ii-a) in the case of any new machinery or plant (other than ships and aircraft), which has been acquired and installed after the 31st day of March, 2005, by an assessee engaged in the business of manufacture or production of any article or thing, a further sum equal to twenty per cent of the actual cost of such machinery or plant shall be allowed as deduction under clause (ii): Provided that no deduction shall be allowed in respect of (A) any machinery or plant which, before its installation by the assessee, was used either within or outside India by any other person; or (B) any machinery or plant installed in any office premises or any residential accommodation, including accommodation in the nature of a guest-house; or (C) any office appliances or road transport vehicles; or (D) any machinery or plant, the whole of the actual cost of which is allowed as a deduction (whether by way of depreciation or otherwise) in computing the income chargeable under the head "Profits and gains of business or profession" of any one previous year;'; (b) in clause (iii), in the Explanation, in clause (2), for the words "an India company", the words, brackets, letter and figures "an Indian company or in a scheme of amalgamation of a banking company, as referred to in clause (c) of Section 5 of the Banking Regulation Act, 1949 (10 of 1949) with a banking institution as referred to in sub-section (15) of Section 45 of the said Act. sanctioned and brought into force by the Central Government under subsection (7) of Section 45 of that Act, of any asset by the banking company to the banking institution" shall be substituted.