

Finance Act 2001

Section 21 - Amendment of Section 32

In section 32 of the Income-tax Act, with effect from the 1st day of April, 2002., -

(a) in sub-section (1), in clause (ii), -

(A) in the first proviso, in clause (a) after the figures, letters and words "28th day of February, 1975", the words, figures and letters "but before the 1st day of April, 2001" shall be inserted;

(B) after Explanation 4, the following Explanation shall be inserted, namely :-

"Explanation 5.-For the removal of doubts, it is hereby declared that the provisions of this sub-section shall apply whether or not the assessee has claimed the deduction in respect of depreciation in computing his total income ;" ;

(b) for sub-section (2), the following sub-section shall be substituted, namely :-

"(2) Where, in the assessment of the assessee, full effect cannot be given to any allowance under sub-section (1) in any previous year, owing to there being no profits or gains chargeable for that previous year, or owing to the profits or gains chargeable being less than the allowance, then, subject to the provisions of sub-section (2) of section 72 and sub-section (3) of section 73, the allowance or the part of the allowance to which effect has not been given, as the case may be, shall be added to the amount of the allowance for depreciation for the following previous year and deemed to be part of that allowance, or if there is no such allowance for that previous year, be deemed to be the allowance for that previous year, and so on for the succeeding previous years."
