

Finance Act 2001

Section 24 - Insertion of New Section 35dda

After section 35DD of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2002, namely :-

"35DDA. Amortisation of expenditure incurred under voluntary retirement scheme.-

(1) Where an assessee incurs any expenditure in any previous year by way of payment of any sum to an employee at the time of his voluntary retirement, in accordance with any scheme or schemes of voluntary retirement, one-fifth of the amount so paid shall be deducted in computing the profits and gains of the business for that previous year, and the balance shall be deducted in equal instalments for each of the four immediately succeeding previous years :

(2) No deduction shall be allowed in respect of the expenditure mentioned in sub-section (1) under any other provision of this Act."
