

# Notification No. 82/2020

Dated – 1<sup>st</sup> October, 2020

## Income-tax (22nd Amendment) Rules, 2020

CBDT has made the following rules further to amend the Income-tax Rules, 1962.

In the Income-tax Rules, 1962 (hereafter referred to as the principal rules)

(a) in rule 5, in sub-rule (1), for the proviso, the following proviso shall be substituted

“Provided that the allowance under clause (ii) of sub-section (1) of section 32 in respect of depreciation of any block of assets entitled to more than forty per cent. shall be restricted to forty per cent. on the written down value of such block of assets in case of

(i) a domestic company which has exercised option under sub-section (4) of section 115BA, or under sub-section (5) of section 115BAA, or under sub-section (7) of section 115BAB; or

(ii) an individual or Hindu undivided family which has exercised option under sub-section (5) of section 115BAC; or

(iii) a co-operative society resident in India which has exercised option under sub-section (5) of section 115BAD:

Provided further that, for the purposes of section 115BAA, if the following conditions are satisfied

(i) option under sub-section (5) thereof is exercised for a previous year relevant to the assessment year beginning on the 1st day of April, 2020;

(ii) there is a depreciation allowance, in respect of a block of asset, from any earlier assessment year or allowance of unabsorbed depreciation deemed so under section 72A, which is attributable to the provisions in clause (iia) of sub-section (1) of section 32; and

(iii) such depreciation or allowance for unabsorbed depreciation is not allowed to be set off under clause (ii) or clause (iii) of sub-section (2) thereof, the written down value of the block of asset as on the 1st day of April, 2019 shall be increased by such depreciation or allowance for unabsorbed depreciation not allowed to be set off

Provided also that, for the purposes of section 115BAC and section 115BAD, if the following conditions are satisfied,

(i) the option under sub-section (5) of the respective section is exercised for a previous year relevant to the assessment year beginning on the 1st day of April, 2021;

(ii) there is a depreciation allowance, in respect of a block of asset, from any earlier assessment year which is attributable to the provisions in clause (iia) of sub-section (1) of section 32; and

(iii) such depreciation is not allowed to be set off under sub-clause (a) of clause (ii) of sub-section (2) of section 115BAC or clause (ii) of sub-section (2) of section 115BAD, the written down value of the block

of asset as on the 1st day of April, 2020 shall be increased by such depreciation not allowed to be set off.

For more details, please follow:

[https://www.incometaxindia.gov.in/communications/notification/notification\\_82\\_2020.pdf](https://www.incometaxindia.gov.in/communications/notification/notification_82_2020.pdf)