

CHAPTER - V

OBSERVATIONS, SUGGESTIONS AND CONCLUSIONS

5.1 Observations

5.2 Suggestions and
Conclusions

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5.1 Observations :

The analysis of various provisions regarding deductions and allowances from income from business or profession has revealed -

- (1) The conditions stipulated to be fulfilled for availing the benefits of the allowances such as Depreciation, Investment Allowance, Development Rebate, Development Deposit Scheme are often subjected to changes resulting in litigations, between the assessee and the department.
- (2) The lack of clarity in the provisions has resulted in disagreements between the assessee's and department.
- (3) Changes in the interpretation of scientific concepts such as Depreciation has resulted in different views causing major litigations.

5.2 Suggestions :

- (1) The provisions may be made in clear terms.
- (2) Difficulties in implementing the provisions or any alternative options faced by any person be sought and be cleared immediately either by way of clarification or by way of official, circular.

- (3) The meaning of concepts such as Depreciation may not be changed by allowing depreciation on Machinery @ 33.33 % which has been allowed to form an incentive and not only for deterioration in the value of machinery to the Industrialists. If, at all, any incentives are to be given, may be given under different names and the basic concepts be kept intact.
- (4) Ultimately the cost involved in litigations which is unproductive be considered and the provisions and amendments be made by giving equally attention to practicability for the Assessee's.