

**Finance Act 2008**

**Section 12 - Amendment of Section 43**

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In section 43 of the Income-tax Act, in clause (6), after Explanation 5, the following Explanation shall be inserted and shall be deemed to have been inserted, with effect from the 1st day of April, 2003, namely:--

Explanation 6.--Where an assessee was not required to compute his total income for the purposes of this Act for any previous year or years preceding the previous year relevant to the assessment year under consideration,--

- (a) the actual cost of an asset shall be adjusted by the amount attributable to the revaluation of such asset, if any, in the books of account;
  - (b) the total amount of depreciation on such asset, provided in the books of account of the assessee in respect of such previous year or years preceding the previous year relevant to the assessment year under consideration shall be deemed to be the depreciation actually allowed under this Act for the purposes of this clause; and
  - (c) the depreciation actually allowed under clause (b) shall be adjusted by the amount of depreciation attributable to such revaluation of the asset."
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