Finance (No. 2) Act 2009

Section 17 - Amendment of Section 43

In section 43 of the Income-tax Act, with effect from the 1st day of April, 2010 --

(a) in clause (1), after Explanation 12, the following Explanation shall be inserted, namely:--

"Explanation 13.-- The actual cost of any capital asset on which deduction has been allowed or is allowable to the assessee under section 35AD, shall be treated as 'nil',--

(a) in the case of such assessee; and

(b) in any other case if the capital asset is acquired or received,--

(i) by way of gift or will or an irrevocable trust;

(ii) on any distrbution on liquidation of the company; and

(iii) by such mode of transfer as is referred to in clauses (i), (iv). (v), (vi), (vii), (xiii) and (xiv) of section 47;";

(b) in clause (6), after Explanation 6, the following Explanation shall be inserted, namely:--

'Explanation 7.-- For the purposes of this clause, where the income of an assessee is derived, in part from agriculture and in part from business chargeable to income-tax under the head "Profits and gains of business or profession", for computing the written down value of assets acquired before the previous year, the total amount of depreciation shall be computed as if the entire income is derived from the business of the assessee under the head "Profits and gains of business or profession" and the depreciation so computed shall be deemed to be the depreciation actually allowed under this Act.'.
