Finance (No. 2) Act, 1996

Section 16 - Amendment of Section 41

In section 41 of the Income-tax Act, the Explanation occurring below sub-section (1) shall be renumbered as Explanation 2, and before Explanation 2 as so renumbered, the following Explanation shall be inserted with effect from the 1st day of April, 1997, namely :-

'Explanation 1 : For the purposes of this sub-section, the expression "loss or expenditure or some benefit in respect of any such trading liability by way of remission or cessation thereof" shall include the remission or cessation of any liability by a unilateral act by the first mentioned person under clause (a) of the successor in business under clause (b) of that sub-section by way of writing off such liability in his accounts.'.
