Finance (No. 2) Act, 1998

Section 16 - Amendment of Section 41

In section 41 of the Income-tax Act, after sub-section (1) the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1998, namely:--

"(2) Where any building, machinery, plant or furniture,--

(a) which is owned by the assessee;

(b) in respect of which depreciation is claimed under clause (i) of sub-section (1) of section 32; and

(c) which was or has been used for the purposes of business,

Is sold, discarded, demolished or destroyed and the moneys payable in respect of such building, machinery, land or furniture, as the case may be, together with the amount of scrap value, if any, exceeds the written down value, so much of the excess as does not exceed the difference between the actual cost and the written down value shall be chargeable to income-tax as income of the business of the previous year in which the moneys payable for the building, machinery, plant or furniture became due.