

## **Depreciable assets**

### **CBDT circular No 469 of 1986 dated 23.09.1986**

The WDV may be reduced to nil for the reasons:

1. The amount receivable by the assessee for the assets sold or otherwise transferred during the previous year together with the amount of scrap value may exceed the WDV at the beginning of the year as increased by the actual cost of any new asset acquired,
2. All the assets in the relevant block may be transferred during the year.

Section 50 of the Income Tax Act prescribing in the manner in which cost of acquisition in the case of depreciable assets may be computed to compute the capital gain has been substituted by provisions by amending the Act to take care of both the above situations.