Quick Revision of sec 36,40, 43b of Income Tax (helpful to remember section)

sec	36(1)	Other Deductions
1	**(i)**	**Insurance** premium (stock Insurance)
2	**(ia)**	**Insurance** premium paid by federal Milk Co-op Society
3	**(ib)**	**Insurance** Premium on health of Employees
4	**(ii)**	**Bonus/commission** to employees not as profit/dividend
5	**(iii)**	Interest on **borrowed capital (business purpose**)
6	**(iiia)**	Discount on **Zero Coupon Bond** (pro-rata basis) (>10 yrs & <20 yrs)
7	**(iv)**	Employer's Contri to **RPF** or Approved Superannuation Fund
8	**(iva)**	Employer's Contri to Notified **Pension** Scheme(**10%** of Salary)
9	**(v)**	Employer's Contri to Approved **Gratuity** Fund (**8.33%** of Salary)
10	**(va)**	Amt received by assesse from employees for their welfare &
		deposit before due date
11	**(vi)**	Write off allowance for **animal/birds** (actual cost-amt realized=loss)
12	**(vii)**	**Bad Debts** (write off), (debtor, creditor relationship)
13	**(viia)**	**Provision** for bad & doubtful debts(bank-7.5%,Rural-10%, FI/Fb 5%)
14	**(viii)**	Transfer to **special reserve**(for housing development, min-5yrs)
		Lower of 1.)Amt t/f to Special reserve 2.)20% of profit of such activity
		3.) 200% (sh cap + R&S - Bal of reserve on last day)
15	**(ix)**	Family planning Exp (company, 5 yrs, if not adjusted c/f like un.deprec.)
16	**(xii)**	revenue exp by entities established under any central/state/prov act
17	**(xv)**	STT (if income charged to P&L a/c)
18	**(xvi)**	Commodities Transaction tax (if income charged to P&L a/c)
Sec	**40(a)**	**Inadmissible Deductions**
1	**(i)**	Interest,Royalty,Fee for Technical service paid **outside India** & which is
		liable to tax, TDS must be deducted & **deposited within time limit**. (31 March)
2	**(ia)**	**Non deduction of TDS** in respect of 1.Interest(193 &194A) 2.rent (194I)
		3.Commission/Brokerage(194H) 4.Royalty 5.Professional fee
		6. Technical Fee 7. Contract/subcontract; Payable to **Resident** attract
		Disallowance. (if deposited before filing of return, **Allowed**)
3	**(ic)**	Fbt (not deductible)
4	**(ii)**	Income Tax (Foreign Income Tax too)
5	**(iia)**	Wealth Tax (not Deductible)
6	**(iib)**	Disallowance of **royalty,licence fee** etc to State Govt. Undertakings
7	**(iii)**	Salary paid outside India/in India to NRI, TDS not deducted not allowed
8	**(iv)**	Provident payment without TDS
9	**(v)**	Tax paid by employer on perquisite of employees not allowed (on Non
		Monetary Perquisites) {but same not taxable in hands of employee}

Quick Revision of sec 36,40, 43b of Income Tax (helpful to remember section)

	40 A	
1	**2**	Excessive & unreasonable payment to **Relative** & Person having
		substantial interest is liable to be disallowed (to extent)
2		(Exception: Parent co to subsy co is allowed, same tax bracket)
	3	Cash more than 20,000/- & 35,000 not allowed
		(Exception: Bank holiday)
3	**7**	provision for payment of gratuity not allowed
4	**9**	Contribution by Employer to **Non- Statutory Funds** not allowed
	43 B	**Exp allowed only on actual payment (before filing of return)**
1		**Tax**,duty,cess or fee.
2		P.F, Superannuation Fund 0r any **Fund**
3		**Bonus** or **Commission** to employees
4		**Interest** to financial Institutions/State Fin Corp/ State Ind. Investment
5		**Interest** to Schedule Bank/ Co-operative societies
6		Amt payable in **Lieu of Leave**