

28	30		31		32(1)(ii)	32(1) (ia)	32(2)	
Taxable income under head of PGBP	Rent, Rates, tax, Repair and insurance of building		Repair and insurance of plant and machinery and furniture.		Depreciation	Additional Depreciation	Unabsorbed Depreciation (set off & Carry forward)	
1. P&G of any buss/Prof 2. Profit on sale of import entitlement licence 3. Cash compensatory support/ DBK 4. DEPB/DFRC 5. Key-man Insurance policy 6. Gift,benefit,perq from Bor P 7. Interest, salary, bonus, comm by partner of firm 8. Non compete fees	Allowed	Disallowed	Allowed	Disallowed	1. Asset should be used for B or P (Active/passive) 2. Owner (Wholly/partially) 3. Assets used in PY 4. Depreciation on WDV of block of the asset 5. Mandatory to claim dep 6. 50% dep if put to use <180 day(yr of acq) 7. Asset should be PUT to USE but not ready to use.	-New P&M (ship & Aircraft- X) -Acquired & Installed - MPAT, Transmission or distribution of power @ 20% - notified area @ 35% after 01.05.15, for MPAT only - if Put to use for < 180 days (yr of acq)- Dep 50%,balance 50% in next PY - add dep only 4 WDV method	- set off against income under any head - C/F even if buss is closed -C/F for Indefinite period , even if ROI not filed -Assessee should be same [exceptions]-72A,72AA,72AB - priority of set off 1. CY Dep.(depreciation) 2. Brought forward Buss loss 3. Brought forward Dep	MPAT = manufacture of production of article or thing ULF =Unamortised licence fee T/f = transfer/Transferred Acq =Acquisition C/f =Carry forward GIO =Government of India Ded = Deduction Buss =business SP/SC/SV =Sale consideration LIP = Lock in period
	Rent, rates & Taxes, Insurance, Revenue repairs.	Capital repair not allowed to both. Capitalized Rent not allowed to owner	Rent (u/s 37 to tenant), Insurance, Revenue repairs.	Capital repair not allowed to both. Capitalized Rent not allowed to owner				
			32(1)(i)- Dep for power generating undertaking. →Optional to follow SLM					

32AD	33 AB	Rule for computing income			33 ABA	35			
Investment in New Plant & machinery by assessee in backward areas of AP, Bihar, Telangana or WB	Tea/Coffee/Rubber Development account				Site restoration fund- Petroleum, Natural gas in India	Expenditure on Scientific research			
→ All Assessee [buss of MPAT] →from PY 01-04-2015 to 2020 → Ded= 15% of actual cost of such new P&M; LIP= 5 Years →No 50% restriction as 32(1)(1) →Ded in the year asset installed , PUT to use condition NA(Not applicable) →Ded not available to Assessee following SLM Method	→ All Assessee → Amount Deposited or 40% of PGBP } WEL →Deposit before DD of ROI → Withdrawal of amount other than specified purpose- taxable as PGBP in the year of withdrawal; LIP= 8 Years → utilise in the year of withdrawal →Deduction from composite income (Agri +Buss income)	Income from	Buz	Agri	- Any Assessee - Deposit - before the end of py - Deduction- 20% of profit Or } WEL - Deposit - Agreement with Govt - withdrawal- on closure & for specific purpose only - T/f of asset before 8 years- exemption withdrawn	Section	Purpose	Ded	
		Rubber	35	65		35(1)(i)	Revenue Expenditure	100%	Incurred Exp For after or before(3 years) start of buss
		Coffee				35(1)(ii)	Sum paid to Research association	150%	Object of receiver is Scientific research (or) to university, college or others to be used for research
		*Grown	25	75		35(1)(iii)	Paid to University, college or other institute	100%	For research in Social Science or Statistical research {35(1)(i)/(ii)- must be approved by CG; not buss related}
		*+Roasted	40	60		35(1)(iv)	Capital Expenditure (Except land)	100%	Incurred On scientific research related to business carried on by Assessee, post exp of 3 years
		Tea	40	60		35(2AA)	approved specified person for scientific	150%	Paid to national laboratory, university, IIT, or specified person to be used specifically for Scientific research
						35(2AB)	To Companies for scientific research	150%	on an approved in house research & development facility (except L&B) , Building = 100% under 35(1)(iv)

35ABB	35ABA	35AD			35CC	35CCD
Amortisation of telecom license fee	Exp. for obtaining right to use telecom services	Deduction of expenditure on specified business			Expenditure on Agricultural extension project	Expenditure of Skill development project
→ CE of licence fee(paid) is allowed as deduction from the year of payment to end of licence. for before commencement exp, ded = year of start to end of PY(licence last date) in no of years		- Capital expenditure (other than Land/ Goodwill/ financial Instrument) - - 35AD loss set off with 35AD - post/ after commencement, capital or revenue exp = 100% deduction ;LIP= 8 years - If sold or destroyed, entire SP or Insurance Compensation taxable as PGBP; NO CG	-Cold chain facility -Warehousing (agri) -affordable housing project -production of fertilisers -hospital (100 beds) -X country pipeline oil gas -Hotel 2** -slum redevelopment housing -Inland container depot -Bee –honey & Bee wax	- warehousing of sugar -pipeline- iron ore -Semiconductor- m/f unit - Developing/& maintaining/& operating a new infrastructure facility (wef 1/04/2017) → No other ded for same exp. → CE > 10,000 in a day to one person is disallowed	- Any Assessee -Any Expenditure - Ded= 150% of expenditure -Condition *for training, education of farmers *Prior approval of GOI, ministry of agriculture *Exp should be >25L (Except Land & Building)	-Eligible Assessee- Company - Any exp except L & B) -Eligible co means any co engaged in MPAT except alcohol, tobacco. -Training Institute- for new employee < 6 months exp only - Ded= 150% of exp
T/f of licence	SP< ULF=Loss	SP> ULF=Gain				
Whole licence is transferred	Deduction in the year of Transfer (ULF –SP)	Taxable as PGBP in the year of sale Least of the following a) SP – ULF b) Deduction allowed till date				
Part of licence is transferred	Deduction allowed in balance life (ULF- SP)/ bal life					

35D	35DD	35DDA	35E	36		
Preliminary expenses	Amortization of Exp in case of amala. or demerger	Amortisaion of expenditure on VRS.	Expenditure on prospecting, etc for minerals	Other deduction as specified		
* Resident person * Indian Co. QE= 5% of COP 5% of COP or 5% of CE } WEH Above amount (or) Actual amount } WEL= QE → Ded= 1/5th of QE in each of 5 successive PY's →CE= capital Exp →COP=Cost of project	→ Indian Co → Ded= 1/5th of such expenditure for each of 5 successive PY's →From the PY in which amalgamation or demerger takes place	→ Any Assessee → Ded= 1/5th of the amount so paid deductible in 5 succeeding PY's →From the PY in which amount paid	→ Indian Co →Any Exp of 5 YR (Yr of start + 4 years prior to start) → Ded= equally in 10 years 1/10 th of QE } WEL Income of PY	→Insurance premium of stocks →Ins premium on life of cattle →Insurance on Health of emp →Bonus or commission to emp →Interest on borrowed capital →Discount on ZC Bond →Employer contribution to RPF/ Approved superannuation fund	→Contribution towards pension scheme u/s 80CCD →Employer contribution to an approved Gratuity fund →Allowance in respect of dead or permanently useless animals	→Bad debts →Provisions for Bad & Doubtful debts →Special reserve created by specific entity carrying on eligible business → Revenue Exp on promoting family planning amongst the employee of company only (CE=Equal amount in 5 years)

	37(1) General deduction	37(2B) Contribution to political party	40(a)(i) Amount paid to Non-resident without deducting tax	40(a)(ia) Amount paid to resident without deducting tax	Below expenses are not deductible	40(a)(iib) Amount paid by of royalty, licence fee appropriated from State Govt
→STT, CTT paid →Expenditure incurred for purchase of sugarcane → Recoveries from Employees towards welfare fund are Deemed buss income . Deduction allowed only if the same is paid before filing ROI u/s 139(1)- AIMIL Delhi HC	→ exp not allowed u/s 30 to 36 →Not a Capital expenditure →Not a prior period, personal →Only for business purpose →Not contrary to prov of law →CSR exp is not allowed	→For expense not allowed as deduction u/s 37 →For donation, Deduction allowed u/s 80GB, 80GGC 40(a)(1b): Non compliance with Equalisation levy- Disallowed if not deducted or paid @ 6% before DD of RO Ceiling limit = 1L (aggregate)	→Interest, royalty, fee for technical services paid to NR/FC o/s India or NR/FC in India without deducting/ payment of TDS → 100% of Exp disallowed →Allowed in PY TDS deducted or Paid	→Amount paid to Resident on which TDS Not deducted/paid 30% of exp disallowed →Allowed in PY TDS deducted or Paid → Palam Gas Services 2017(SC) U/s 40(a)(1a)/(1), word “payable” means amount yet to be paid or actually paid	40(a)(ii) Payment of IT 40(a)(iia) Payment of wealth tax 40(a)(iii) Payment made to non-resident as salary without deducting TDS- 100% 40(a)(v) Payment of taxes in respect of non-monetary perquisites	→Any exclusive payments in form of royalty, licence fee, service fee, privilege fee, other charges paid to state govt by SG undertaking the same shall be disallowed . If levied by CG then No disallowance.

40(b) Deduction in respect of payment to partner		40 A(2) payment made to relatives	40A(3) Exp not deductible under certain if exp > 10,000	40A (7) Provision for Gratuity	41 Profit chargeable to tax	Taxable in PY
→Remuneration paid to Partner - Non working partner - X - Not authorised by deed - X - Not as per deed - X - For prior period - X →Maximum remuneration (As per Book profit U/s 28) a) First 3L or Loss- Rs. 1.5 L or 90 % of BP WEH b) On bal BP = 60 %	→ Interest paid to partners - Not authorised by deed - X - Prior period interest - X - Max interest- 12% 40(ba) Disallowance applicable to AOP/BOI Fully disallowed -Interest- Net disallowed -Int in any capacity allowed -Salary disallowed	→ Disallowed to the extent such expense is considered by the Assessing officer to be excessive or unreasonable. →No disallowance if such T/s is at ALP →NA to domestic Transfer pricing →Applies to Expenditure only →NA to Trade discounts NA= Not Applicable	→Payment of aggregate of payment made to a person in a day, other than the account payee cheque exceeding Rs. 10,000/- per day per person Is Disallowed (whole amount) → In case of Transporter the limit is Rs. 35,000/- → Exception to this section are given in Rule 6D →For Section 40A(3A) Same limit as above	Is disallowed Except →Provision for contribution to recognised fund (or) Actual payment Ex. Annual premium paid to LIC for Gratuity- Allowed 40 A (9) →Contribution by employer to unrecognised/ NON Statutory Fund is Disallowed RPF, SF, AGF or approved pension fund – u/s 36(iv)	41(1) Taxability of Recovery of Exp & Remission & cessation of trading liabilities 41(2) Balance Charge 41(3) Surplus= (SC+ Deduction- cost) or Deduction WEL 41(4A) Special Reserve 41 (4) Recovery of Bad Debts 41(5) Adjustment for Loss of PY in which business is discontinued	Amount recovered Asset is sold/ Tf, SC> WDV (SLM method asset) Sale took place When It is recovered When it is recovered Can be adjusted against the above income [41(1) to 41 (iv)] in any subsequent year

43A Foreign exchange fluctuation	43B Disallowance of unpaid liability	43C Special provision for computation of COA of certain Assets (on T/F in case of)	43CA Full Value of Consideration for Transfer of L & B Held as Stock in trade	43D Special Provision in case of income of PFI,public co etc	43(1) Actual cost of assets	43(6) WDV= Cost – Depreciation		
- Asset acquired O/s India - Loan taken in foreign currency - Payment made actually in PY - Amount paid – amount recorded in books= difference to add/ sub to WDV of block Foreign exchange gain or loss Except above w.r.t Debtor or creditor to be taken as if Gain = PGBP income or Loss= deduction u/s 37(1)	- Employers Contribution to RPF or other Emp.(e) welfare fund - Tax. Duty, cess etc. - Bonus or commission to Emp. - Int. payable to PFI or Banks - Leave salary(Leave encash.) - Payment to Indian Railways for use of railway Assets →Allowed if paid on or before filing of ROI. Otherwise allowed in the year paid	- Amalgamation - Partition of HUF - Assets by Gift or will - Irrevocable trust COA= COA to previous owner + cost of improvement + expenditure on transfer	Sale consideration = Sale consideration Or Stamp duty value WEH SDV= on the date of agreement (if any amount paid on or before date of agreement) or else date of transfer. (refer CG Chapter)	Income by way of interest in relation to bad & doubtful debts taxable in PY in which Interest received or Credited WEE Exp for acquisition of asset full or part, paid in cash exceeding 10K in a day to a person to be ignored for COA u/s 43(1) →	- Scientific research asset - By gift, will, inheritance - Second hand asset - Reacquisition of asset - Sale & Lease back, 35 AD asset - Building used for non business purpose , T/f by HC to sub co - Amalgamation, demerger - Int. on borrowing, subsidy - Adjustment of CENVAT credit - Asset by NR brought in India		Sec 50	Sec 50A
	for	Block of assets	SLM method					
	When	Block ceases	T/f of asset					
	COA	Op WDV + CY pur	WDV+ BC WDV- TD					
	CG	Always STCG	STCG/LTCG					

44A Special provision for deduction in case of Trade	44AA Compulsory maintenances of accounts	44AB Audit of books of accounts	44AD Presumptive income other than transport business	44ADA Presumptive income of profession	44AE Presumptive income of transport business	
Professional or similar association <u>Deficiency allowed U/s 44A</u> Deficiency = Rs. 25,000/- or 50% of other income= 37,500 (75,000 * 50%) WEL is allowed u/s 44A	professional or similar association	Compulsory audit for Business- TO > 1 Cr Profession- TO > 50L 44AE , BB, BBB ,ADA, AD showing lower income than prescribed under relevant section	Individual(R),HUF,Firm(no LLP) TO shall not exceed 2 Crore Estimated income= 8% of gross receipts or higher claim - Declared income as per 44AD in PY then bound to declare income u/s 44AD for next 5 years. No other exp deduction For non cash receipt = 6% - Can set off business loss	All Resident Assessee Gross receipts < 50Lacs 50% of gross receipts are deemed as income U/H PGBP - No deduction of exp allowed - Not required to maintain books of accounts - Not required to get audited	Any Assessee Own vehicles <= 10 goods carriage during PY (anytime) Income = 7,500 PM } WEH Or Actual Income	BC = Balance charge TD = terminal Depreciation COA = Cost of acquisition TO = Turnover; INT= Interest O/s = Outside NR = Non Residence FC = Foreign Company Co = Company Agri = Agriculture ROI = return of Income