

CONTENTS

Chapters	Pages
1. Introduction	1
2. Reasons for disallowance of Expenditure	9
3. Expenditure - Meaning and Connotation	10
4. Disallowance of Expenditure incurred in relation to Income exempt from Tax [Section 14] {Corresponding to Section 14A of the Income Tax Act, 1961}	14
5. Disallowance of interest paid in respect of capital borrowed for the purpose of business or profession [Section 32(1)(b)] {Corresponding to Section 36(1)(iii) of the Income Tax Act, 1961}.....	62
6. Disallowance for marked-to-market loss [Section 32(h)] {Corresponding to Section 40A(13) of the Income Tax Act, 1961}.....	100
7. General conditions for allowable deductions [Section 34] {Corresponding to Section 37(1) of the Income Tax Act, 1961}.....	106
8. Disallowance of Expenses for any purpose which is an offence or is prohibited by law [Section 34(2)(a)] {Corresponding to Explanation 1 to Section 37(1) of the Income Tax Act, 1961}.....	124
9. Disallowance of Corporate Social Responsibility (CSR) Expenditure [Section 34(2)(b)] {Corresponding to <i>Explanation 2</i> to Section 37(1) of the Income Tax Act, 1961}	141
10. Expenditure on advertisement in any souvenir, brochure, tract, pamphlet or the like published by a political party [Section 34(2)(c)] {Corresponding to Section 37(2B) of the Income Tax Act, 1961}	157
11. Disallowance of Capital Expenditure	167
12. Amounts not deductible in certain circumstances [Section 35(a)] {Corresponding to Section 40(a)(ii) & 40(a)(iia) of the Income Tax Act, 1961}	183
13. Disallowance on account of non-deduction of TDS [Section 35(b)(i)] {Corresponding to Section 40(a)(ia) of the Income Tax Act, 1961}	189
14. Any sum (other than salary) payable outside India or to a Non-resident [Section 35(b)(ii)] {Corresponding to Section 40(a)(i) of the Income Tax Act, 1961}	205
15. Payment to provident fund or other funds established for the benefit of employees of the assessee [Section 35(b)(iii)] {Corresponding to Section 40(a)(iv) of the Income Tax Act, 1961}.....	216

16. Salary payable outside India (or in India to a non-resident) without tax deduction [Section 35(c)] {Corresponding to Section 40(a)(iii) of the Income Tax Act, 1961}.....	218
17. Disallowance of certain fee, charge, etc. [Section 35(d)] {Corresponding to Section 40(a)(iib) of the Income Tax Act, 1961}.....	227
18. Disallowance of remuneration and interest paid by firm to partners [Section 35(e)] {Corresponding to Section 40(b) of the Income Tax Act, 1961}.....	235
19. Payment of Interest, Salary etc. made by AOP or BOI to its members [Section 35(f)] {Corresponding to Section 40(ba) of the Income Tax Act, 1961}.....	255
20. Assessing Officer's power to disallow excessive/unreasonable payments to "specified person" [Sections 36(2) & 36(3)] {Corresponding to Sections 40A(2)(a) & 40A(2)(b) of the Income Tax Act, 1961}	260
21. Disallowance for cash payments exceeding prescribed limit [Section 36(4)] {Corresponding to Section 40A(3) of the Income Tax Act, 1961}	282
22. Cash payments exceeding the prescribed limits under Section 36(4) but later convert these transactions into non-cash modes [Section 36(5)] {Corresponding to Section 40A(3A) of the Income Tax Act, 1961}	312
23. Certain deductions allowed on actual payment basis only [Section 37] {Corresponding to Section 43B of the Income Tax Act, 1961}	316
24. Ad hoc and Estimated disallowances of Expenses	336
25. Business Disallowance	354
26. Disallowance of Legal and Professional expenses	359
27. Disallowance of Expenses & Losses incurred for earning Illegal Income	365
28. Disallowance of expenses, in absence of any Evidence for expenses	369
29. Disallowance of expenses – Self made vouchers	380
30. Disallowance of Provisions for various expenses	388
31. Disallowance of Losses	402