

Section - 5, Expenditure-Tax Act, 1987

Meaning of chargeable expenditure.

5. For the purposes of this Act, chargeable expenditure,—

(1) in relation to a hotel referred to in clause (1) of section 3, means any expenditure incurred in, or payments made to, the hotel in connection with the provision of—

(a) any accommodation, residential or otherwise; or

(b) [***]

(c) any accommodation in such hotel on hire or lease, or

(d) [***]

but does not include—

(i) any expenditure which is incurred, or the payment for which is made, in foreign exchange [before the 1st day of October, 1992];

(ii) any expenditure incurred by persons within the purview of the Vienna Convention on Diplomatic Relations, 1961 or the Vienna Convention on Consular Relations, 1963;

(iii) any expenditure incurred in any shop or in any office which is not owned or managed by the person who carries on the business of a hotel;

(iv) any expenditure by way of any tax, including tax under this Act.

Explanation. —For the purposes of this clause,—

(a) expenditure incurred or any payments made in Indian currency obtained by conversion of foreign exchange into Indian currency shall in such cases and in such circumstances as may be prescribed be deemed to have been incurred or, as the case may be, made in foreign exchange; and

(b) "foreign exchange" and "Indian currency" shall have the meanings respectively assigned to them in clauses (h) and (k) of section 2 of the Foreign Exchange Regulation Act, 1973 (46 of 1973);

(2) in relation to a restaurant referred to in clause (2) of section 3, means any expenditure incurred in, or payments made to, a restaurant in connection with the provision of food or drink by the restaurant, whether at the restaurant or outside, or by any other person in the restaurant, but does not include any expenditure referred to in sub-clauses (ii) and (iv) of clause (1).]