

Section - 5, Interest-Tax Act, 1974

[Scope of chargeable interest.]

5. Subject to the provisions of this Act, the chargeable interest of any previous year of a credit institution shall be the total amount of interest (other than interest on loans and advances made to other credit institutions [or to any co-operative society engaged in carrying on the business of banking], accruing or arising to the credit institution in that previous year :]

Provided that any interest in relation to categories of bad or doubtful debts referred to in section 43D of the Income-tax Act shall be deemed to accrue or arise to the credit institution in the previous year in which it is credited by the credit institution to its profit and loss account for that year or, as the case may be, in which it is actually received by the credit institution, whichever is earlier.]