

Circular No. 18/2021

Clarification regarding Section 36(1)(xvii) of the Income-tax Act, 1961 inserted vide Finance Act, 2015

Dated – 25th October, 2021

CBDT clarified on treatment of additional payment for sugarcane price by Co-Op sugar mills. The matter has been examined by the Board and in this regard, it is clarified that the phrase 'price fixed or approved by the Government' in clause (xvii) in sub-section (1) of section 36 of the Act includes price fixation by State Governments through State-level Acts/Orders or other legal instruments that regulate the purchase price for sugarcane, including State Advised Price, which may be higher than the Statutory Minimum Price Fair and Remunerative Price fixed by the Central Government.

For more details, please follow:

<https://incometaxindia.gov.in/communications/circular/circular-no-18-2021.pdf>