PGBP ADJUSTMENTS

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→ PROFIT AS PER BOOKS / NET PROFIT AS PER P&L — XXX

Add: DEDUCTIONS NOT ALLOWED / THINGS TO BE ADDED TO INCOME

1. UNDERVALUATION OF STOCK (Closing) — XXX
2. ADVERTISMENT IN THE SOUVENIR OF POLITICAL PARTY — XXX
   ↳ only for co.
3. PAYMENT TO ELECTORAL TRUST BY CHEQUE — XXX
   Ye dono yahan add ho jayega & baad me 80 GGB/GGC me deductn milega
4. GST DEMAND → PENALTY FOR DELAYED FILING OF RETURN. — XXX
   ↳ Breach of Law
5. EXP. ON ISSUE OF RIGHT SHARES — XXX
6. FRANCHISEE FEES IF PAID IS ADDED BACK AND DEPN@25% IS ALLOWED — XXX
7. LOSS DUE TO DESTRUCTION OF MACHINERY DUE TO FIRE — XXX
   ↳ Capital Nature
   ↳ Add if debited in P&L
   ↳ Iska scrap value agar P&L me credit kiya hai to (-) kar denge and PL & M ke WDV se reduce kar denge
8. AMOUNT PAID TO EMPLOYEE WELFARE TRUST — XXX
9. COMPOUNDING FEES / REGULARISATION FEES → BREACH OF LAW — XXX
10. INDUSTRIAL POWER TARRIF CONCESSION RECD. FROM GOVT. WILL ALWAYS BE INCLUDED IN INCOME — XXX
11. PROVISION FOR GRATUITY BASED ON ACTURIAL VALUATION — XXX

12.	PUBLIC ISSUE OF SHARES KE EXPENSES ↳ Even if SEBI me clear nahi kiya tab bhi disallow ho jayega because capital Nature ↳ Exp. for increasing Auth. capital bhi disallow hoga	XXX
13.	PAYMENT OF INTEREST TO COOPERATIVE BANK AFTER DUE DATE OF 139 (1) - 43 B	XXX
14.	DISCOUNT GIVEN BY SUNDRY CREDITORS / WAIVED → 41(1)	XXX
15.	PURCHASE OF ANYTHING AT PRICE HIGHER THAN M.V. ↳ 40 A (2)	XXX
16.	SALES TAX (GST) NOT REFUNDED TO CUSTOMER OUT OF SALES TAX REFUND.	XXX
17.	CONTRI IN EMPLOYEE PENSION SCHEME (NPS - 80CCD) IN EXCESS OF 10% (Basic + DA)	XXX
18.	CSR EXPENDITURE	XXX
19.	PROVISION FOR DEFERRED TAX	XXX
20.	EXPERT OPINION CHARGES AND DEVELOPMENT CHARGES PAID FOR CAPITAL ASSETS	XXX
21.	PAYMENT FOR FREEBIES / GIFTS TO DOCTORS	XXX
22.	EXP. ON TRANSFER OF CARBON CREDITS	XXX
23.	PAYMENT OF BONUS < TO TRUST AND NOT EMPLOYEES	XXX
24.	EXP. OF FOREIGN TRAVEL OF DIRECTOR FOR COLLABORATION AGREEMENT (not related to business) WHICH FAILED TO MATERIALIZE → CAPITAL NATURE EXP. NATURE → Not allowed	XXX

25. NON-COMPETE FEES PAID → INTANGIBLE ASSET IS CREATED

→ EXP. WILL BE ADDED BACK & DEP^n @ 25% WILL BE ALLOWED ×××

26. FEES PAID TO INDEPENDENT / NON-EXECUTIVE DIRECTOR

↳ 30% disallowed 40(a)(ia)

WITHOUT DEDUCTION OF TDS

→ TDS deduct karna padta hai u/s 194J → No Threshold limit ×××

27. EXPENSE ON EXPANSION OF NEW BUSINESS & PROJECT

↳ Exp. are capital in Nature

WAS ABANDONED WITHOUT CREATION OF NEW ASSET ×××

28. CLAIM FOR ESCALATION OF PRICES IN ONGOING

↳ Taxable in the year in which reasonable certainity of its realisation is received.

CONTRACTS. ×××

29. 4/5th OF VRS COMPENSATION PAID TO EMPLOYEE ×××

30. INTEREST u/s 234B FOR SHORT-PAYMENT OF ADVANCE TAX. ×××

31. • PAYMENT TO MIDDLEMAN FOR PURCHASE OF CRAB, LOBSTER IN EXCESS OF 10,000 → Sec 40 A(3) → not covered under 6DD ×××

→ PAYMENT TO FISHERMAN IN EXCESS OF 10000 → allowed under Rule 6DD

• PAYMENT TO WHOLESALE TRADER FOR PURCHASE OF WHEAT FROM MANDI IN EXCESS OF 10000 → not allowed ×××

→ PAYMENT TO FARMER IN EXCESS OF 10000 → allowed under Rule 6DD

32. PROVISION FOR LOSS OF SUBSIDIARY ×××

33. AMOUNT SPENT OUT OF NABARD A/c

- If utilisation is not permissible
- If utilisation is done after end of P.Y.

×××

34. MARKED TO MARKET LOSS → IF NOT AS PER ICDS	XXX
35. RETENTION MONEY IS INCLUDED IN INCOME	XXX
36. DIRECT TAX → TAX INTEREST PENALTY NOT ALLOWED	XXX
37. INTEREST ON LOAN TAKEN FOR PAYMENT OF INCOME TAX	XXX
38. REFERRAL FEES / COMMISSION PAID TO DOCTORS	XXX
39. PAYMENT TO CONSULTANT FOR OPENING A NEW BUSINESS ↳ CAPITAL NATURE	XXX
40. ILLEGAL EXPENDITURE / SECRET COMMISSION	XXX
41. ADDITIONAL DEPRECIATION ALLOWED WILL BE ADDED BACK IF ASSESSEE OPTS FOR 115 BAA / BAB / BAC	XXX
42. RETRENCHMENT COMPENSATION ON CLOSURE OF ENTIRE BUSINESS → CAPITAL NATURE	XXX
43. BAD DEBTS RECOVERY IN EXCESS OF UNALLOWED PORTION	XXX
44. IF OUTSTANDING INTEREST IS CONVERTED INTO DEBENTURE OR ANY INSTRUMENT WHICH DEFERS THE LIABILITY	XXX
45. WAIVER OF PRINCIPAL PART OF WORKING CAPITAL LOAN	XXX
46. DONATION TO SWACCH BHARAT KOSH → added here & allowed u/s 80G → if not paid in cash	XXX
47. Int. AND BORROWING COST INCL. IN OP. STOCK (ICDS II)	XXX
48. Int. TO PARTNER ON ← CAPITAL A/C, CURRENT A/C, LOAN A/C } in excess of 12%	XXX

49. PAYMENT TO SHARE BROKERS IN RELATION TO EQUITY SHARES without deducting TDS XXX

↳ Depends on assumption

- IF ASSESSEE HAS SHARE TRADING BUSINESS → allowed → no TDS on payment to Share Brokers
- IF ASSESSEE DOESNOT HAVE SHARE TRADING BUSINESS → not allowed

50. PAYMENT TO COMMODITY BROKERS WITHOUT DEDUCTING TDS XXX

- IF COMMODITY TRANSACTION → not related to Business → 100% disallowed
- IF COMMODITY TRANSACTION → related to Business → 30% disallowed

51. TAX PAID BY EMPLOYER ON NON-MONETARY PERQUISITES. XXX

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Less: DEDUCTIONS ALLOWED / THINGS TO BE DEDUCTED FROM INCOME

1.	OVERVALUATION OF CL. STOCK	XXX
2.	INCOME TAX REFUND & INTEREST → Int. IFOS me tax ho jayega	XXX
3.	EXP. ON ISSUE OF BONUS SHARES	XXX
4.	LOSS BY THEFT / DECOITY ALLOWED IF INCIDENTAL TO BUSINESS	XXX
5.	EMPLOYER'S CONTRI TO EPF IF PAID BEFORE D. D. OF 139 (1)	XXX
6.	EMPLOYEE'S CONTRI TO EPF IF PAID BEFORE D. D. OF THAT ACT (PF Act)	XXX
7.	PAYMENT TO TRANSPORTER WITHOUT DEDUCTING TDS ↳ IF TRANSPORTER OPTS PRESUMPTIVE TAX ↳ GIVES DECLARATION IN THIS REGARD.	XXX
8.	DIVIDEND RECD. FROM SPECIFIED FOREIGN Co. → this provision is no more applicable ↳ Yahan se less kar denge ↳ Taxable under IFOS Treated as Normal Dividend	XXX
9.	LEGAL FEES INCURRED IN DEFENDING TITLE OF FACTORY PREMISES INCURRED FOR PURPOSE OF BUSINESS → Dalmia Jain v/s CIT	XXX
10.	PAYMENT OF NEW INSTALLMENT OF LOAN CONVERTED FROM ARREARS OF INTEREST	XXX
11.	ACTUAL GRATUITY PAID	XXX
12.	PROVISION FOR PAYMENT TO WORKERS ESTIMATION ON WAGE AND REASONABLE CERTAINITY OF REVISION	XXX
13.	STT PAID.	XXX

14. COMMISSION PAID TO RECOVERY AGENT FOR REALISATION OF DEBT - DCIT V/s Super Tannery Ltd. XXX

15. JO PICHLE SAAL 40(a)(ia) me disallow hua tha 30% IS SAAL ALLOW HOGA. XXX

16. PAYMENT TOWARDS FEASIBILITY STUDY CONDUCTED FOR TECH ADVANCEMENT RELATED TO BUSINESS → fail / abondon without creation of new asset hua bhi to chalega XXX

17. PROFIT FROM HEDGING CONTRACT FOR SAFEGUARDING AGAINST ANY LOSS THAT MAY ARISE DUE TO CURRENCY FLUCTUATION → has to be adj. with cost of PL & M. XXX

18. GLOW SIGN BOARD KA COST REVENUE EXP. HAI XXX

19. DISCOUNT ON ISSUE OF DEBENTURES → Allowable over the tenure of Debentures. Eg. If 5yrs, then 1/5 allowed. XXX

20. GST INTEREST → INTEREST ON DELAYED FILING OF RETURN XXX

21. PURCHASE OMITTED IN BOOKS OF ACCOUNT XXX

22. PROFIT ON SALE OF LAND TO 100% SUBSIDIARY (Indian) XXX
↳ Treated in capital Gain → Not a transfer → Sec 47(iv) → No CG.

23. ADDITIONAL CONSIDⁿ RECEIVED FROM STATE GOVT. DUE TO INTERIM ORDER OF COURT. → Taxable in the year in which final order is passed XXX

24. GRANT RECEIVED FROM STATE GOVT. FOR ACQUISITION OF ASSET → reduced from Actual cost XXX

25. COST OF ABANDONED FILM - Allowed as Revenue Exp. XXX

26.	SPONSORSHIP FEE FOR LOCAL CRICKET TOURNAMENT ↳ If incurred for promotion of Business out of Business expidiency → allowable u/s 37.	XXX
27.	PENALTY PAID TO GOV. FOR FAILURE OF PERFORMANCE IN CONTRACT → Breach of contract → Allowed	XXX
28.	EXPENSES FOR BRINGING DRINKING WATER TO VILLAGE WHERE FACTORY IS SITUATED → Allowed u/s 37(1)	XXX
29.	CONTRI TO RESEARCH INSTITUTION FOR SCIENTIFIC RESEARCH, EVEN IF AFTERWARDS ITS APPROVAL IS WITHDRAWN	XXX
30.	EXPENDITURE FOR WHICH INVOICE IS NOT AVAILABLE ↳ But Goods Inward Report & online payment proof - available	XXX
31.	PAYMENT TO NR WHOSE INCOME IS NOT CHARGABLE TO TAX IN INDIA WITHOUT DEDUCTING TAX (without TDS)	XXX
32.	PAYMENT UPTO Rs. 50000 IN CASH TO EMPLOYEE ON HIS RETIREMENT - ALLOWED	XXX
33.	PAYMENT TO AN EMPLOYEE → WHO IS POSTED IN A OTHER PLACE → other than his normal place of duty for 15 days or more ↳ not have Bank A/c there ↳ IN CASH ↳ TDS must be deducted	XXX
34.	CONTRIBUTION TO NATIONAL FUND FOR RURAL DEVELOPMENT Allowed u/s 35 CCA → Also allowed u/s 115BAB	XXX

35. RETRENCHMENT COMPENSATION ON CLOSURE OF SOME OF BUSINESS UNITS → Revenue in Nature | XXX

36. RENTAL INCOME OF COMPANY OPTING 115 BAB | XXX
↳ Yahan se deduct karenge - Taxable under House Property
↳ But municipal Tax & Std dedn not allowed u/s 115 BAB
Interest

37. AMOUNT WAIVED BY BANK ON ARREARS OF INTEREST | XXX
↳ not allowed as deduction
so not included in Income.

38. INTEREST & BORROWING COST INCL. IN CLOSING STOCK (ICDS II) | XXX

39. EXP. ON ISSUE OF CONVERTIBLE DEBENTURE. → Revenue Exp. | XXX

40. INT. (Interest) ON SHARE APPLICATION MONEY DEPOSITED IN BANK | XXX
↳ adj. with share issue expenses.

NET PROFIT BEFORE ALLOWING DEDn u/s 33 AB		XXX
(-) Dedn u/s 33 AB		
(i) Amount deposited in NABARD	XX	
(ii) 40% OF PGBP before dedn of 33AB	XX	(XXX)
INCOME AFTER DEDn u/s 33AB		XXX
(-) AGRICULTURAL PORTION		(XX)
T 60% R 65% C 75%		
PGBP INCOME CHARGABLE TO TAX		XXX
B/F LOSS IS NOT ALLOWED TO SET OFF		XXX

IF 51% SHARES → not held by same person → as in the year of c/f of loss.

TAX RATES - Company - 25% / 30%
↳ IF OPTED 115 BAB
→ PGBP Income - 15%
→ House Property } 22%
→ IFOS
→ STCG < Depriciable Asset - 15% ; Non - Depriciable Asset - 22%

+ Surcharge 10% mandatory
+ 4% cess