8.	production of fertilizers in India	01/04/2011
9.	setting up & operating inland container depot or container freight station	01/04/2012
10.	Bee keeping and production of bee's Honey & wax	01/04/2012
11.	setting up & operating a warehousing facility for sugar	01/04/2012
12.	laying & operating a slurry pipeline for transportation of Iron ore	01/04/2014
13.	setting up & operating a semi-conductor wafer fabrication manufacturing plant	01/04/2014
14.	Developing or maintaining and operating or developing, maintaining & operating a New Infrastructure facility.	01/04/2017

Notes and conditions :-

1) Above business should be new it should not be split up or reconstruction of existing business.

2) plant and machinery required should be new except
   i) 20% of total plant & machinery can be 2nd hand.
   ii) Imported second hand plant & machinery shall be treated as new only for this section.

3) under this section 100% deduction allowed for all the capital expenditure except.
   i) land
   ii) Goodwill
   iii) financial instruments (shares).

4) Deduction is allowed only if more than ₹ 10000 in single day to single person paid by account payee cheque, account payee demand draft or any mode of electronic clearing system.

5) Depreciation is not allowed if deduction claim U/s 35AD.

6) Expenditure incurred before commencement of business is also allowed as the deduction in the year in which Business commence.

7) Loss from specified business can be set off only against income from specified business and remaining losses can be carry forward for unlimited period.

8) petroleum and natural gas pipeline business and new infrastructure facility business should be own by Indian co. or group of Indian co. and it is approved from prescribed authority.

9) In case of hotel if operation is transfer to any other person then also deduction allowed U/s 35 AD

10) New infrastructure facility means road, toll road, bridge, rail system, Highway project, water supply project, water treatment system, irrigation system, sanitation system, solid waste management, port, airport.

11) If any asset is sold [on which deduction claimed U/S 35 AD] then selling price of such asset shall be taxable under the head PGBP.

12) Deduction under this section not allowed if assessee opted 115BAC.

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Computation of PGBP of specified Business.

		Warehousing Facility Food grain	Warehousing Facility For sugar
Profit before dedu. U/S 35 AD	(A)	1600000	1400000
Less: deduction U/S 35 AD			
Building		3000000 (80-50)	2000000 (60-40)
Add: Extension of Building		2000000	1500000
		5000000	3500000
Deduction U/S 35 AD @100%		100%	100%
	(B)	5000000	3500000
PGBP (A-B)		(3400000)	(2100000)

* PGBP for warehousing facility of edible oil (Non specified business)

Net profit	3100000
(-) Depreciation U/S 32	
Building (50-30) : 20	
Add: extension 10	
30 lakh	

Depreciation: Building @ 10% (3000000 x 10%)	(300000)
PGBP	2800000

Note :- losses from specified business of ₹ 5500000 cannot be set off against profit from warehousing facility of edible ~~co~~ oil (Non-specified business.). so it will be carry forward.

Note :- loss of specified business can be set off only against income of any other specified business irrespective of whether the other specified business is eligible for deduction u/s 35AD or not.

* If any asset acquired for specified business should not be transfered to non-specified business within 8 years from year of acquisition.
  If it is transfer within 8 year then following shall be taxable under the head PGBP.

Amt. of deduction claimed u/s 35AD earlier	xxx
Less: Depreciation allowable if sec. 35AD not there	(xxx)
PGBP.	xxx

* For non-specified business following shall be added to block of asset (actual cost)

cost of asset xxx
Less : Depreciation allowable if such asset used for non-specified business from acquisition (xxx)

Actual cost xxx

Note :- If asset transfer to non-specified business after 8 years or asset acquired under gift, amalgamation, demerger and previous owner already claimed deduction u/s 35AD then actual cost of such asset is Nil.

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computation of PGBP.

Deduction claimed u/s 35AD 5000000
Less : Depreciation allowable if sec. 35AD not there
PY. 22-23 (5000000 × 10%) (500000)

PGBP 4500000

* In Non-specified business : (Actual cost)
cost of asset 5000000
Less : Depreciation allowable if asset used in non-specified business from its acquisition
PY 22-23 (5000000 × 10%) (500000)

Actual cost 4500000

Allowed मतलब P&L के Dr. side डाल सकते हैं.

* section 36(1) : certain deduction u/s 36(1) —

1) Insurance premium for stock in trade → allowed

2) Health Insurance premium for employee → allowed
[If premium paid other than cash].

3) Animals used in business [other than stock in trade]. →
Deduction is allowed in the year in which such animal died. or became permanent useless.
Amount of deduction :
Cost of animal − scrap value

4) Bad debts → section 36(1)(vii) —

Bad debts

- Actual Bad debts
  - Related to sale ⇓ Allowed
  - Related to loan ⇓ Not allowed
    [exception : money lending business.]
- provision for Bad debts ⇓ Not allowed

Notes : ① There is no need to prove that debt is bad.