



Profit and
Gain of
Business
Profession
(PGBP)

Sharing the
proforma for
computation of
PGBP income

FORMAT		
Computation of taxable income from business of Mr.....for the A.Y. 2020-21		
Particulars	Amount	Amount
9. Rent of House propd	xxx	
10. Cash payment mo	xxx	
11. Expenses related to ot	xxx	xxx
		xxx
Less: Income considered under other head	xxx	
1. Rent from H	xxx	
2. Interest from	xxx	
3. Dividend	xxx	
4. Capital Gain	xxx	
5. Winning from lottery, betting etc		xxx

Proforma for computation of income under the head "Profits and gains of business or profession"

Particulars	Amount (₹)	Amount (₹)
Net profit as per statement of profit and loss		A
Add: Expenses debited to statement of profit and loss but not allowable		
<ul style="list-style-type: none"> Depreciation as per books of account 	xxx	
<ul style="list-style-type: none"> Income-tax [disallowed u/s 40(a)(ii)] 	xxx	
<ul style="list-style-type: none"> 30% of sum payable to residents on which tax is not deducted at source or has not been remitted on or before the due date u/s 139(1), after deduction, disallowed under section 40(a)(ia) [The same is allowable in the year in which the tax is deducted and remitted] 	xxx	
<ul style="list-style-type: none"> Any expenditure incurred, in respect of which payment is made for goods, services or facilities to a related person, to the extent the same is excessive or unreasonable, in the opinion of the A.O, having regard to its FMV [disallowed u/s 40A(2)] 	xxx	
<ul style="list-style-type: none"> Any expenditure incurred in respect of which payment or aggregate of payments to a person exceeding ₹ 10,000 in a single day is made otherwise than by way of A/c payee cheque/bank draft/ use of ECS through bank A/c or through such other prescribed electronic mode (debit card, credit card, Net banking, RTGS, NEFT, IMPS, BHIM Aadhar Pay) [disallowed u/s 40A(3)] 	xxx	
<ul style="list-style-type: none"> Certain sums payable by the assessee which have not been paid during the relevant P.Y. in which the liability was incurred on or before the due date for filing return u/s 139(1) in respect of that P.Y. [disallowed u/s 43B] 	xxx	
<ul style="list-style-type: none"> Personal expenses [not allowable as per section 37] 	xxx	
<ul style="list-style-type: none"> Capital expenditure [not allowable as per section 37] 	xxx	

<ul style="list-style-type: none"> Repairs of capital nature [not allowable as per Sections 30 & 31] 	xxx	
<ul style="list-style-type: none"> Amortization of preliminary expenditure u/s 35D/ expenditure incurred under voluntary retirement scheme u/s 35DDA [4/5th of such expenditure to be added back] 	xxx	
<ul style="list-style-type: none"> Fine or penalty paid for infringement or breach of law [However, penalty in the nature of damages for delay in completion of a contract, being compensatory in nature, is allowable] 	xxx	
<ul style="list-style-type: none"> All expenses related to income which is not taxable under this head e.g. municipal taxes in respect of residential house property 	xxx	
<ul style="list-style-type: none"> Any sum paid by the assessee as an employer by way of contribution to pension scheme u/s 80CCD exceeding 10% of the salary of the employee 	xxx	B
(A + B)		C
Less: Expenditure allowable as deduction but not debited to statement of profit and loss		
<ul style="list-style-type: none"> Depreciation computed as per Rule 5 of Income-tax Rules, 1962 	xxx	
<ul style="list-style-type: none"> Additional depreciation@20% of actual cost of new P & M acquired by an assessee engaged in the business of manufacture or production of any article or thing or generation, transmission or distribution of power (10% of actual cost, if put to use for less than 180 days in the year of acquisition) [Balance additional depreciation can be claimed in the next year i.e., P.Y.2022-23] 	xxx	
<ul style="list-style-type: none"> Balance additional depreciation @10% of actual cost of P & M acquired and installed during the P.Y. 2020-21 and put to use for less than 180 days in that year 	xxx	D
(C - D)		E
Less: Income credited in statement of profit and loss but not taxable/taxable under any other head		
<ul style="list-style-type: none"> Dividend income 	xxx	
<ul style="list-style-type: none"> Agricultural income exempt under section 10(1) 	xxx	

<ul style="list-style-type: none"> Interest on securities/savings bank account/FD taxable under the head "Income from other sources" 	xxx	
<ul style="list-style-type: none"> Profit on sale of capital asset taxable under the head "Capital Gains" 	xxx	
<ul style="list-style-type: none"> Rent from house property taxable under the head "Income from house property" 	xxx	
<ul style="list-style-type: none"> Winnings from lotteries, horse races, games etc. taxable under the head "Income from other sources" 	xxx	
<ul style="list-style-type: none"> Gifts exempt or taxable under the head "Income from other sources" 	xxx	
<ul style="list-style-type: none"> Income-tax refund not taxable 	xxx	
<ul style="list-style-type: none"> Interest on income-tax refund taxable under the head "Income from other sources" 	xxx	F
(E - F)		G
Add: Income chargeable under this head/Deemed Income		
<ul style="list-style-type: none"> Salary, remuneration, interest received by a partner from the firm, to the extent the same is deductible in the hands of the firm as per section 40(b) 		
<ul style="list-style-type: none"> Bad debt allowed as deduction u/s 36(1)(vii) in an earlier PY, now recovered [deemed as income u/s 41(4)] 	xxx	
<ul style="list-style-type: none"> Remission or cessation of a trading liability [deemed as income u/s 41(1)] 	xxx	H
Profits and gains from business or profession (G + H)		I

Thank You

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WITH
US



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