[1][THE FIRST SCHEDULE

[*See* section 4 (*a*)]

COMPUTATION OF GROSS PROFITS

Accounting Year ending ......

Item No.	Particulars	Amount of sub-items	Amount of main items	Remarks
[2][1.	*Net Profit*, as show in the Profit and Loss Account after making usual and necessary provisions.	Rs.	Rs.	
2.	*Add back* provision for:			
	(*a*) Bonus to employees.			
	(*b*) Depreciation.			
	(*c*) Development Rebate Reserve.			*See* foot-note (1)
	(*d*) Any other reserves.			*See* foot-note (1)
	Total of Item No. 2 . . .	Rs.		
3.	*Add back* also:			*See* foot-note (1)
	(*a*) Bonus paid to employees in respect of previous accounting years.			*See* foot-note (1)
	(*b*) The amount debited in respect of gratuity paid or payable to employees in excess of the aggregate of—			
	(*i*) the amount, if any, paid to, or provided for payment to, an approved gratuity fund; and			
	(*ii*) the amount actually paid to employees on their retirement or on termination of their employment for any reason.			
	(*c*) Donations in excess of the amount admissible for income-tax.			

1. Ins. by Act 66 of 1980, s. 19 (w.e.f. 21-8-1980).
2. Where the profit subject to taxation is shown in the Profit and Loss Account and the provision made for taxes on income is shown, the actual provision for taxes on income shall be deducted from the profit.

Item No.	Particulars	Amount of sub-items	Amount of main items	Remarks
		Rs.	Rs.	
	(*d*) Capital expenditure (other than capital expenditure on scientific research which is allowed as a deduction under any law for the time being in force relating to direct taxes) and capital losses (other than losses on sale of capital assets on which depreciation has been allowed for income-tax).			*See* foot-note (1)
	(*e*) Any amount certified by the Reserve Bank of India in terms of sub-section (*2*) of section 34A of the Banking Regulation Act, 1949 (10 of 1949).			
	(*f*) Losses of, or expenditure relating to, any business situated outside India.			
	Total of Item No. 3. . . .	Rs.		
4.	*Add also* income, profits or gains (if any) credited directly to published or disclosed reserves, *other than*—			
	(*i*) capital receipts and capital profits (including profits on the sale of capital assets on which depreciation has not been allowed for income-tax);			
	(*ii*) profits of, and receipts relating to, any business situated outside India;			
	(*iii*) income of foreign banking companies from investment outside India.			
	Net total of Item No. 4.	Rs.		
5.	Total of Item Nos. 1, 2, 3 and 4	Rs.		

Item No.	Particulars	Amount of sub-items	Amount of main items	Remarks
		Rs.	Rs.	
6.	*Deduct*:			
	(*a*) Capital receipts and capital profits (other than profits on the sale of assets on which depreciation has been allowed for income-tax).			*See* foot-note (2)
	(*b*) Profits of, and receipts relating to, any business situated outside India.			*See foot-note* (2)
	(*c*) Income of foreign banking companies from investments outside India.			*See* foot-note (2)
	(*d*) Expenditure or losses (if any) debited directly to published or disclosed reserves, *other than*—			
	(*i*) capital expenditure and capital losses (other than losses on sale of capital assets on which depreciation has not been allowed for income-tax);			
	(*ii*) losses of any business situated outside India.			
	(*e*) In the case of foreign banking companies proportionate administrative (overhead) expenses of Head Office allocable to Indian business.			*See* foot-note (3)
	(*f*) Refund of any excess direct tax paid for previous accounting years and excess provision, if any, of previous accounting years, relating to bonus, depreciation, or development rebate, if written back.			*See* foot-note (2)
	(*g*) Cash subsidy, if any, given by the Government or by any body corporate established by any law for the time being in force or by any other agency through budgetary grants, whether given directly or through any agency for specified purposes and the proceeds of which are reserved for such purposes.			*See* foot-note (2)
	Total of Item No. 6. . . .			
7.	Gross Profits for purposes of bonus (Item No. 5 minus Item No. 6)		Rs.	Rs.

[*Explanation*.—In sub-item (*b*) of Item 3, "approved gratuity fund" has the same meaning assigned to it in clause (*5*) of section 2 of the Income-tax Act.

Foot-notes—

(1) It, and to the extent, charged to Profit and Loss Account.

(2) If, and to the extent, credited to Profit and Loss Account.

(3) In the proportion of Indian Gross Profit (Item No. 7) to Total World Gross Profit (as per Consolidated Profit and Loss Account adjusted as in Item No. 2 above only).]