

KALPESH CLASSES

FBT SOLUTION TO PROB NO. 2

Descruption	Amount	FB Rate	FB Value
Cost of Free air ticket			
Contribution to ASF	10.00	100%	10.00
as amount exceed Rs. 100,000			
Entertainment and Hospitality		20%	-
As per profit and loss a/c	40.00	20%	8.00
Annual day celebration	5.00	20%	1.00
Conference	5.00	20%	1.00
Fee for participation is only excluded			-
Sales Promotion	10.00	20%	2.00
(specifically excluded items are not taxable 50-40)			-
Employees welfare		20%	-
As per profit and Loss	500.00		
Prize to employees during functions	6.00		
Subsidy to school in area	2.00		
	<u>508.00</u>		
AGF	50.00		
RPF	100.00		
ASF where ctr < 100,000	40.00		-
Gifts to employees classified as gifts	5.00		
	<u>195.00</u>		
	313.00	20%	62.60
Conveyance	300.00	20%	
Excludes the remuneration to auditors	10.00		
Excludes expense on motor car, as separate head is provided	200.00		
	<u>90.00</u>		
Computer software	45.00	5%	2.25
IT enabled services	45.00	20%	9.00

expense is allocated in the equal ratio of salary as per CBDT circular there is no exact information as to overseas business and indian business			
Hotel Lodging and boarding		20%	-
as per P/L account	140.00		
Auditors remuneration is professional fees	40.00		
	<u>100.00</u>		
Computer software	50.00	5%	2.50
IT enabled services	50.00	20%	10.00
			-
Motor car		20%	-
Depreciation	200.00		
Conveyance	200.00		-
Drivers salary	20.00		-
Parking lot	2.00		-
	<u>422.00</u>	20%	84.40
air crafts			-
			-
Telephone	12.00	20%	2.40
excludes leased telephone lines			-
Guest House	100.00	20%	20.00
			-
Festival		50%	-
New year	4.00	50%	2.00
Diwali	5.00	50%	2.50
Health Club and other clubs	20.00		-
Advance payment is not liable for FBT	4.00		
	<u>16.00</u>		-
International Expense	10.00		
Indian expense	6.00	50%	3.00
Apportionment of International expense (in ratio of employees 500/2000)	2.50	50%	1.25
			-
gifts		50%	-

Gifts to Customers	10.00	50%	5.00
Employees Marriage	5.00	50%	2.50
As per Profit and loss	10.00	50%	5.00
Scholarships		50%	-
As per Profit and loss	10.00		
Subsidy to school taken as welfare	2.00		
	<u>8.00</u>	50%	4.00
education expense of peons can also be classified as welfare expense			-
Tour and Travel	180.00	5%	9.00
Amount of fees paid to auditor is professional fees and not liable for FBT			-
CBDT circular stating that LTA would be taxable in FBT provisions			-
	<u>4,107.50</u>		<u>249.40</u>
Tax Rate / Liability		33.66%	83.95