

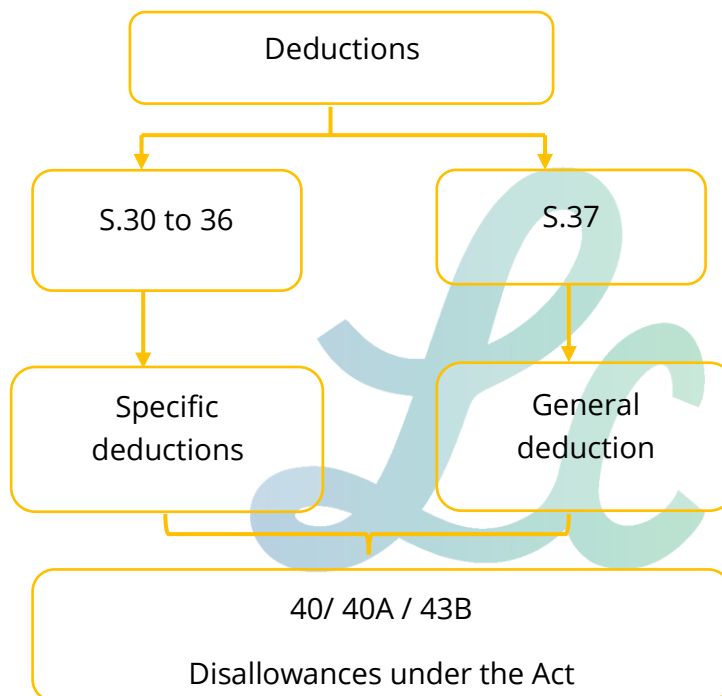
Income from Business or Profession Business

Sale turnover (-) Expenditure = Business Income

Profession

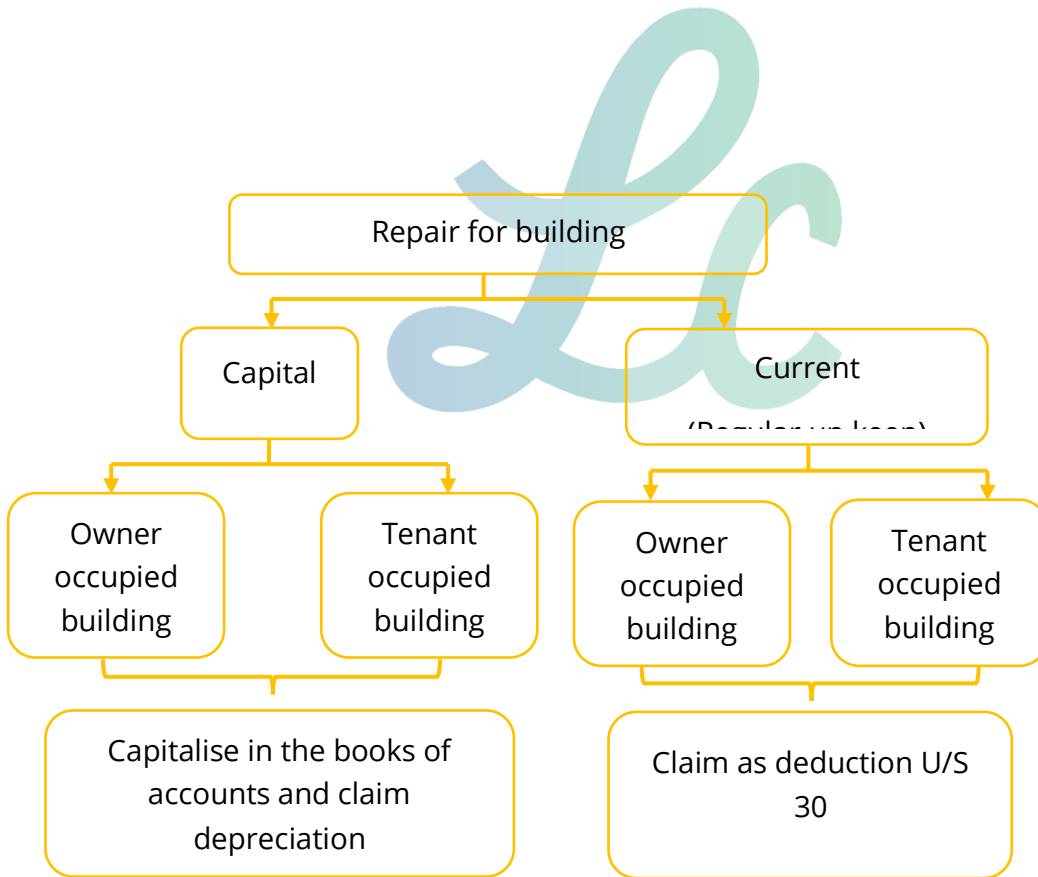
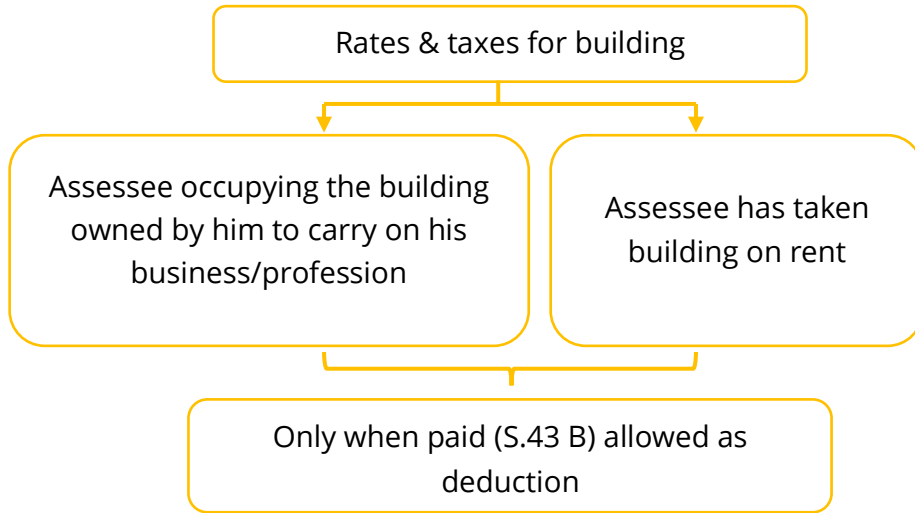
Gross receipts from profession (-) payments = Income from Profession

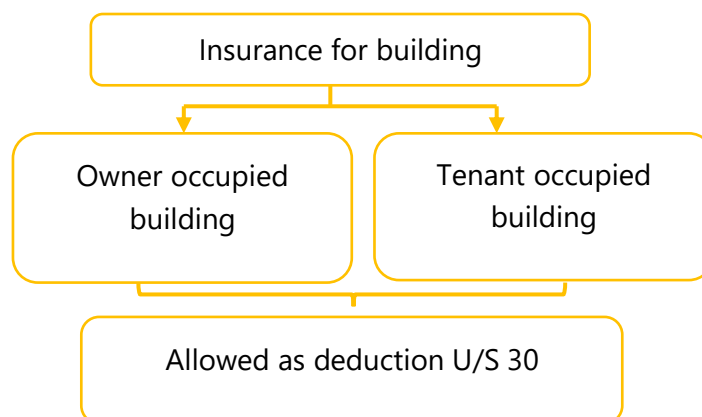
What are the expenditures/ payments that can be claimed as deduction in computing income from business/ profession?



Rent, rates & taxes, repair and insurance for building - **Section 30**

Rent for building occupied for business/profession : Allowed as deduction





Problem 1

Mr. A who accounts on accrual basis gives the following details, find out his income from business -

Particulars	₹	Particulars	₹
To rent for show room	1,50,000	BY gross profit	12,00,000
To salary to staff	3,50,000		
To Municipal tax to showroom	5,000		
To Insurance for showroom	15,000		
To current repair for showroom	40,000		
To Advertisement	50,000		
To Gifts to customers	1,00,000		
To Net profit	4,90,000		

a) Municipal taxes remain unpaid to the extent of ₹2,000 as on due date of filing Return of Income

b) Insurance remains unpaid to the extent of ₹5,000 as on due date of filing Return of Income

Repair & Insurance for plant & machinery and furniture and fitting **[Section 31]**

