

Class - B Com P-III
Subject - Income Tax
Topic - Income from Business/Profession
Lectures - Dr. Suresh Chandra

Meaning: - Business is an activity of purchase and sale of goods with the intention of making profit. On the other hand Profession is an occupation requiring intellectual skill e.g. Doctor, Lawyer etc.

Under Sec 28 of IT Act. Following are the income chargeable to tax under the head of Profit or gain from Business or Profession: -

- ① Profit and gain of any business or profession that is carried on by the assessee at any time during the previous year.
- ② Any compensation or other payment due to or received by an assessee for loss of agency.
- ③ Income derived by a trade, professional or a similar association for specific service performed by its members.
- ④ Any profit on sale of licence granted.
- ⑤ Any cash assistance received by any scheme of Govt.
- ⑥ Any profit on transfer of Duty Free Entitlement Certificate.
- ⑦ Any profit on transfer of duty free replenishment certificate.
- ⑧ The value of benefit or perquisite arising out of business and professions.
- ⑨ Any interest, salary, bonus, commission or remuneration due to or received by partner of a firm.
- ⑩ Sum received or receivable in cash or in kind under an agreement for not carrying out any activities.
- ⑪ Any sum received including bonus under life insurance policy.
- ⑫ Income from speculative business.