29.4.20

Income Tax
T.D.C. Part III

by
Dr S.N Pathak
Deptt of Commerce.
R.N. College, Hajipur.

(1) For The Previous year 2016-17 The business Income of Hazela Limited before Allowing expenditure on family Planning is RS 8,00,000. The company had incurred the following expenditure on family planning amongst its employee during the previous year 2016-17.

(i) Revenue ~~Income~~ expenses on family planning RS- 4,40,000

(ii) capital expenditure on family planning RS. 20,00,000

Compute the deduction available for expenditure on family planning to the Company. Assuming the company has income from other sources amounting to 80000.

Solution. Profit before deduction of expenditure on family planning. 8,00,000

(i) (-) Revenue expenses 4,40000

(ii) (-) capital expenditure i.e ($\frac{1}{5}$ of 20,00,000) 400000 but Allowed to the extent of business income) 8,00,000 - 4,40000 = 360000 800000

Nil

P.T.O

Business Income. Nil.

Income from other sources - 80000

(-) unabsorbed capital expenditure on family planning

(500000 - 360000) = 140000 80000 Nil.

Gross Total Income.

Balance of unabsorbed capital expenditure on family planning 140000 - 80000 = 60000

Note- unabsorbed capital expenditure on family planning will be carried as ~~abso~~ unabsorbed depreciation for coming year.