# UDESH REGULAR
## FOR GROUP-1, MAY 2024

- Subject- Income Tax

- Chapter- Heads Of Income - PGBP

- Lecture No.-13

# Recap of Previous Lecture

**Topic**
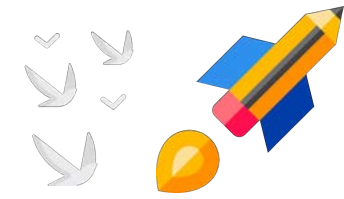
S.43B | 44 AA | AB | S.44AD

# Topics to be Covered

**Topic**  Presumptive Income

Continue from Preceeding Class

* lower profit declare say Profit 5% = 44AAr
                                                           44ABr

* Higher profit declare = 12%

44AD Income ⟨ 8% or 6% of TO
                                     Income declared by Assessee  } Higher.

eg To of Mr. Pappu = ₹ 1,75,00,000 (Non-Sp. mode)

Profit declared by Pappu ji = 18,90,000
Presumptive Income = 1,75,00,000 × 8%
                                            = 14,00,000

$$\underline{\text{PUBF}} \qquad\qquad = \text{₹}18,90,000$$

S.44AD
- Not Available to = LLP/Co./AOP/BOI
- Not available → Specified Profession (Dr/lawyer)(CA)
  - Engaged in Agency business.
  - Earn Brokerage/Commission.

## Lock-In-Period of S.44AD

PY 23-24 ——→ Next 5Yr 44AD Must be Opted

44 AD opted

| | 24-25 | 25-26 | 26-27 | 27-28 | 28-29 |
|---|---|---|---|---|---|
| | ✓ | ✓ | ✓ | ✗ | |

Next 5Yr 44AD Not Avail.

To = 2.50cr
- Specified Mode ⇒ 96% = 2,40,00,000
- Non-Sp. Mode ⇒ 4% = 10,00,000

44AD Available As CR upto 5% of Total Turnover.

TO = 3cr
- Non-Sp. Mode ⇒ 22,50,000   } 44AD Not available
- Sp. Mode ⇒ 2,77,50,000   } As CR > 5% of TO,

To = 4cr $\rightarrow$ Sp. Mode => 3.90cr | **44AD Not available**
$\quad\quad\quad\quad\quad$ Non-Sp. Mode = 10L | **To > 3cr.**

To = 1.90 cr $\rightarrow$ Sp. Mode = 20L | **44AD Available**
$\quad\quad\quad\quad\quad$ Non-Sp. Mode = 1.70 cr |

## Q29. If Presumptive Scheme Not opted

| PGBP | Sales | 1,70,00,000 | |
| --- | --- | --- | --- |
| | (-) Exp | 1,60,00,000 | |
| | | 10,00,000 | |
| | (-) B/F loss | (1,00,000) | 9,00,000 |
| IFHP | | | 5,00,000 |
| | | GTI | 14,00,000 |

## If Presumptive Scheme opted

| PGBP | Business Income 1,70,00,000 × 6% = 10,20,000 | | |
| --- | --- | --- | --- |
| | (-) B/F B.loss | (1,00,000) | 9,20,000 |
| CY | | | 5,00,000 |

**Q30**  (a) Yes, As his Turnover is within limit prescribed u/s 44AD.

(b)  44AD Pres. Income $\Rightarrow$ 58,50,000 $\times$ 6% = 351000

(c)  If s.44AD Is not opted :-

- Maintain BOA As per S.44AA
- Audit of BOA As per S.44AB
- Pay Adv. Tax in 4 Installments

(d)  44AD $\longrightarrow$ opted $\rightarrow$ No audit — RFD = 31/7/AY
$\searrow$ Not opted $\rightarrow$ Audit $\rightarrow$ RFD = 31/10/AY

ICAI Example Pg 3.306    **As Per 44AD**

(a) **PY 23-24**    1.80cr $\overset{1.60cr @ 6\% = 960000}{\underset{20L @ 8\% = 160000}{\Big\langle}}$    11,20,000

(b) PY 24-25    1.90cr ——— 1.45cr @ 6% = 870000
45L @ 8% = 360000    1235000

(c) AY 25-26      2cr ⟨ 1.80cr @ 6% = 10,80,000
                        20L @ 8% = 1,60,000   12,40,000

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23-24  44AD ⟨ 44AA ✓
              44ABF



Next 5yr

          X
          |———————————|————————————————|
          24-25        44ADX.          28-29
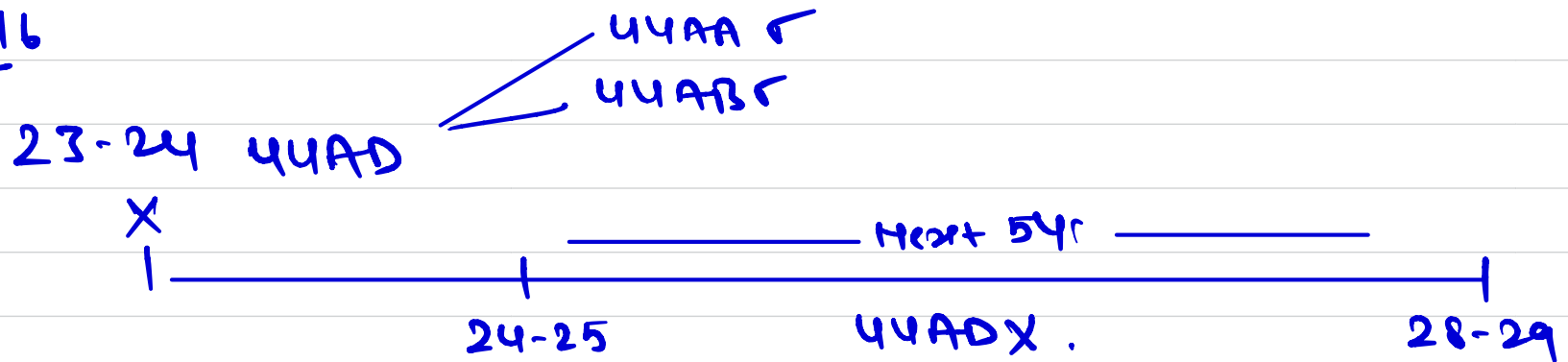
==S.44ADA==  Presumptive Income for ==Specified Profession.==

__Assessee__ = Resident Individual/ Firm excl. LLP   Engaged In
            Specified Profession. As per S.44AA

HUF/co/AOP/BOI/LLP ⟹ 44ADA = X

Business/Other Profession = 44ADA X.

__Gross. Receipts__ ⟹ upto ₹50L ( upto ₹75L if __CR upto 5% of GR)__

        GR = 40L ⟶ 44ADA ✓
        GR = 50L ⟶ 44ADA ✓

$GR = 65L \longrightarrow Sp. Mode = 94\%$
$\searrow Non \ Sp. Mode = 6\%$ } 44ADA ✗.

$GR = 75L \longrightarrow Sp. Mode = 95\%$
$\searrow Non - Sp. Mode = 5\%$ } 44ADA ✓

As To upto 75L
+ CR upto 5% GR

$GR = 80L \longrightarrow Sp. Mode = 100\%$ } 44ADA ✗

As GR > 75L

Presumptive Income = **50%** of GR
Or
Income declared by Assessee
} Higher.

CA In Practice ⟹ GR = 40L
↳ Minimum 50% Profit decl.
As pu 44ADA

↙ 20% Declare
⇓
44AA ✓
44AB ✓

44AA ✗
44AB ✗

Other Prov. Same As UVAD.

5yr lock In Period => NA

UVAD  { 8% - Non-Sp.
         6% - Sp. Mode

$Dep = Exp$

S·30-38 Exp allow.

$loss =$   S·30-38 X.

UVADA => Year on Year basis

UVADA => 50%

S.44AE    Goods Carriage — Hire/Lease    Goods Transportation Service
(Truck/loader)    ↳PLYING

**Assessee :-** All Assessees. Incl. (LLP/Co./AOP/BOI)
     Provided Assessee doesn't own more than 10
Vehicles @ anytime during PY.

## Presumptive Income

**Heavy Goods Vehicle** ⟹ ₹1000 per Ton/Month or part thereof owned
         by the Assessee

   HGV own = 10m & 1q ⟹ Presumptive Income Calculate
         ⇊          for 11m.
   15 Ton

   Pres. Income ⟹ (15 Ton × 1000) × 11m = 1,65,000.

Other than HGV ⟹ ₹7500 pm or part thereof owned by Assessee

3 Mon Heavy Vehicle ⟹ 10m & 10q ie 11m

<u>2 Non Heavy Vehicle</u> = $\underline{5m + 20y}$ ie 6m

Pres. Income $\Rightarrow$ $(3 \times 7500 pm \times 11m) + (2 \times 7500 pm \times 6m)$

$\qquad = 247500 + 90000$

$\qquad = 337500.$

<u>Note</u> :- ① Heavy Goods Vehicle Capacity > 12MT

$\qquad$ 1 MT = 1000 Kg

$\qquad$ upto 12MT $\Rightarrow$ Non-heavy Goods Vehicle

② Presomptive Income is on the basis of ==ownership== of Vehicle ie It is ==not relevant== wether such Vehicle ==Actually Runs== (operate) ==or not==

$\qquad$ 5 Vehicle $\Bigg\langle$
$\qquad\qquad\qquad$ $\underline{\underline{2}}$ HGV (10m + 10d) (14MT)
$\qquad\qquad\qquad$ 3 Non-HGV (12m own) — out of 1 Vehicle ==Permanently In Garage==

S·44AE Income $\Rightarrow$ HGV = $(14MT \times 1000) \times 2 \times 11m$ = 308000
$\qquad\qquad\qquad\qquad$ Non HGV = $3 \times 7500 pm \times 12m$ = $\underline{270000}$

**eg** Mr. X own following Vehicle, Calculate Income As per S·44AE

| Vehicle | Capacity | Own | |
|---------|----------|-----|---|
| 2 HGV | 13T | 9M & 5d → 10M | P.I = (13T × 1000) × 2 Veh. × 10M = 260000 |
| 2 | 11T | 7M & 10d → 8m | P.I = 2 Veh × 7500pm × 8m = 120000 |
| ③ | 10T | 11M & 5d → 12m | P.I = 3 Veh × 7500 pm × 12M = 270000 |
| 1 | 12T | 12M | P·I = 1 Veh × 7500 pm × 12M = 90000 |
| | | | 7,40,000 |

44AE → 44AA × 44ABX year to year.
  └→ Adv. Tax = Normally pay ie 4 Installments.   ①

  → No further deduction allowed from Presumptive Income
     but In case of firm ⟹ IOC + Salary to Partner   ②
                                    ⤵
                          allowed from P.I u/s 44AE.

  U/A Dep BF = Not allow
  Bf loss ⟹ Allow,

Provisions → 5PM = ICAI Illustrations discuss
                            TYK discuss.

20 oct - 24 oct = NO Tax class
          ↓
       1 Sunday ⎫ Holiday   effectively = 3 classes. X.
       1 Dass.  ⎭

Topic

Topic

Question

# Thank You