

Chapter → PGBP + Total Income + TDS/TCS

[28 to 44DB]

Profits And Gains OF Business OR Profession

Business: The term Business has defined in sec 2(13) to include, any trade, commerce (iv) Manufacture (v) any adventure (vi) concern in the nature of Trade, Commerce (vii) Manufacturer.

Profession:- The term 'profession' has not defined in the Act. It means an occupation requiring some degree of learning. The term profession includes vocation as well sec-2(36).

• Sections/Topics to be covered UH PGBP

28 ✓	32(1)(i)	2nd proviso to 32(1)
29 ✓	32(1)(ii)	32(2)
30 ✓	32(1)(iia)	Sec 10AA
31 ✓	32(1)(iii)	43(6)
Exp 1 to 32(1) ✓	43(1)	50(1)
Exp 5 to 32(1)	proviso to 32(1)	50(2)
38(2)	35(2AA)	40(a)(i)
50A	35(2AB)	35 DD 40(a)(ia)
43 CA	37(2B)	35 DDA 40(a)(ii)
33 AB	35 CCC	35 AD 40(a)(iii)
35(1)(i)	35 CCD	36 Series 40(b)
35(1)(ii)	35 ABB	37 40A(2)
35(1)(iia)	35 ABA	exp 1 to 37 40A(3)



35(1)(iii)	35 D	Sec 2 to 37	40A(3A)
35(1)(iv)	40A(7)	40A(9)	41(1)
41(2)	44AA	14A	
41(3)	44AB	Rule BD	
41(4)	44AD		
43 B	44ADA		
	44AE		

Flow of PGBP chapter / How to read PGBP chapter ?

Section	Provisions	Analysis
28	charging section	kon-kon si income PGBP me taxable hogi
29	computation of PGBP income	Jo income taxable hogi vo calculate kaise hogi
30-38	Expenditure allowed	kon-kon se expenses P&L me debit kie Jayenge
39	Not Relevant	
40	Expenditure Dis allowed	kon kon se expenses P&L me debit nhi kie Jayenge.
41	Recovery of Expenditure allowed earlier	Jo expenditure pehle allowed ho chuke hai unki Recovery hogi to kya treatment hai
42	Not Relevant	
43	Deduction on Payment Basis	Jo Expenditure debit honge vo paid basis per honge.
44	Presumptive taxation	हेट businessman professionals के लिए नया scheme है



Section 28: Charging Section

Following income shall be taxable under the head PGBP:-

- (1) Any profit/gain of any Business/Profession.
- (2) Profit on sale of Import entitlement license (IEL)
- (3) Cash compensatory support or duty drawback (CS/DBK)
- (4) Profit on sale of Duty entitlement passbook scheme (DEPB) or Duty Free Replenishment certificate (DFRC)
- (5) The value of any benefit or perquisite arising from business or the exercise of a profession, whether -
 - a) convertible into Money or not, or
 - b) in cash or in kind or partly in cash and partly in kind.
- (6) Non-Compete fees (not carrying out any activity in relation to any business or profession or not sharing any know how, patent, copy right etc...
Amount Received and compensation Received for Not producing CFC/HCFC is not taxable under Head PGBP
- (7) Any amount Received under keyman Insurance Policy.
- (8) Any gift/Benefit/perquisite arising due to Business or profession.
- (9) Any interest, salary, bonus, commission received by partner from partnership firm to the extent allowed u/s 40(b) to firm.



- (9) Profit on Sale of Carbon Credit shall be chargeable to tax @ 10% u/s 115BBC.
- (10) Income derived by trade, professional or similar association from specific service performed by its Members
- (11) FMV of inventory as on the date of which it is converted into capital asset. clause (vii) [added by FA 18].
 \hookrightarrow Net taxable income = FMV - Cost
- (12) Any compensation, or other payment due to or received by any person, at or in connection with the termination or modification of the terms and conditions, of any contract relating to his business

• Section - 29 : How to Compute PGBP income

Particulars	Amount
Net profit as per P&L A/c of Co. Act	xxx
Add: Jo expenditure debit kie hue the but debit nahi hone chahiye the	xxx
less: Jo expenditure debit hone chahiye the but debit nahi kie hue the	xxx
Add: Jo income Credit honi chahiye thi but Credit nahi ki hui thi	xxx
less: Jo income Credit ki hui thi but Credit nahi honi chahiye thi	xxx
Income from the Head PGBP	xxxx



Particulars	Amount
Net profit as per P&L A/c of Co. Act	xxx
Add: Expenditure debited in P&L A/c but not allowed U/H P&BP	xx
less: Expenditure allowed U/H P&BP but not debited in P&L A/c	xx
Add: Income chargeable to tax U/H P&BP but not credited in P&L A/c	xx
less: Income credited in P&L A/c but not taxable U/H P&BP	xx
Income U/H P&BP	xxxxxx

Example :-

To Income tax	200,000	By Gross profit	40,00,000
To Bonus payable	1,00,000	By Int on FD	4,00,000
To provision for doubtful debt	50,000	By Dividend from I.C	8,00,000
To Dep (SLM)	3,00,000	By profit on sale of I.E.L	500,000
To Advt. Expenses paid	1,00,000	By Rent Received on H.P	= 600,000
To H.P Tax paid on H.P	50,000		
To Net Profit	55,00,000		
	63,00,000		63,00,000



Other Information :-

- 1) Bad debts = 30,000 (-) 3) Dep (WDV) = 2,80,000 (-) PGBP → ?
- 2) Profit on sale of DFRC = 200,000 +

Income effect

Int on FD =	(14,00,000)
Dividend =	(8,00,000)
Rent =	(6,00,000)
	<u>42,90,000</u>

Solution :-

Net profit =	55,00,000
Poso DFRC =	2,00,000
BID =	(30,000)
Dep (WDV) =	(2,80,000)
IT =	2,00,000
Bonus =	1,00,000
PFDD =	50,000
Dep (SLM) =	3,00,000
M. Tax paid =	<u>50,000</u>
	<u>60,90,000</u>

Question :-

Profit and loss A/c

To Municipal tax payable. Paid By owner + (Related to HP)	100,000	By gross profit	70,00,000
To Dep (SLM)	250,000	Income from lottery	15,00,000
To provision for OLD	80,000	Dividend from Domestic Co	400,000
To Bonus paid to ee	40,000	Perquisite Received during buss/proff	500,000
To Interest paid Repair of H.P	40,000	By profit on sale of DFRC	10,00,000
To Advertisement Ex. paid	100,000	By Rent from H.P	600,000
	<u>1,03,90,000</u>		
	<u>1,10,00,000</u>		<u>1,10,00,000</u>



Other Information

- 1) Dep (WDV) = 45000 (-)
- 2) Profit on sale of IEL = 8,00,000 (+)
- 3) Salary = 20,000 p.m (part time job)
- 4) Interest on FD = 2,00,000 ×

Compute total Income and Tax liability if Age of Such person is 28 year and opt sec 115 BAC, default tax Regime.

Solution:- Computation final Tax liability

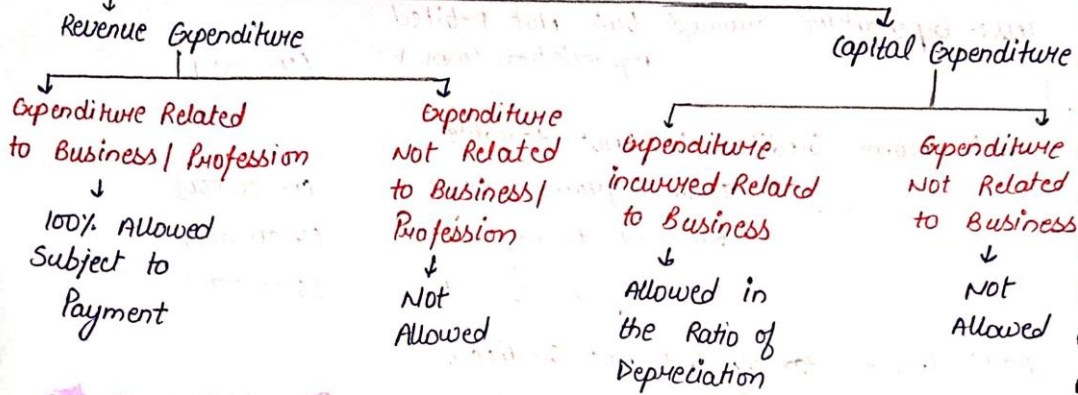
Particulars	Amount	Amount
Income under Head Salary		
Salary (20,000 × 12)	2,40,000	
(-) Standard deduction 16(1A)	75,000	
	1,65,000	1,65,000
Income from House Property		
Rent / GAV	600,000	
(-) M. Tax payable By owner	-	
NAV	600,000	
(-) Standard deduction		
• Sec-24(a) 30% of NAV	(1,80,000)	
• Sec-24(b) Int on Repair	(40,000)	
	3,80,000	3,80,000
Income under Head PGBP		
Net profit as per P&L A/c	11,03,90,000	
Add: Expenditure debited but Not allowed u/H PGBP		
M. Tax payable	100,000	
Dep (SLM)	2,50,000	
Provision for DTD	80,000	



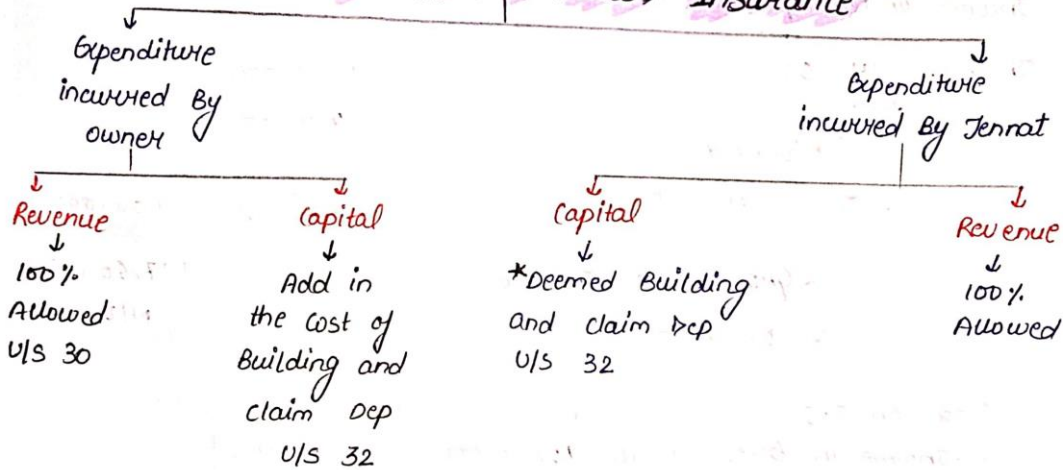
Int on Repair of H.P	40,000	
less:- Expenditure allowed but Not debited. Depreciation (W.D.V)	(45,000)	
less: Income Credited but Not taxable		
Income from lottery	(15,00,000)	
Dividend from Co.	(4,00,000)	
Rent from house Prop.	(6,00,000)	
Add:- Income taxable. but not Credited		
Profit on sale of IEL	8,00,000	
	<u>91,15,000</u>	91,15,000
Income under Capital Gain	NIL	NIL
Income U/H OS	15,00,000	
Lottery	4,00,000	
Dividend	2,00,000	
Income from FD	<u>11,00,000</u>	11,00,000
GROSS Total Income		1,17,60,000
(-) Deduction		NIL
Tax on lottery Income = 4,50,000		
Tax on GI, 1,02,60,000	1,60,000	30,78,000
Tax on income excess = 26,28,000		1,40,000
Tax on 15L = 1,40,000		<u>32,18,000</u>
+ surcharge 15%		4,82,700
		<u>37,00,700</u>
Cess @ 4%		1,48,028
		<u>38,48,728</u>
R.O		<u>38,48,730</u>



* **Types of Expenditure**



• **Section-30 Expenditure Relating to Building**
(Rent, Repair, Taxes, Insurance)

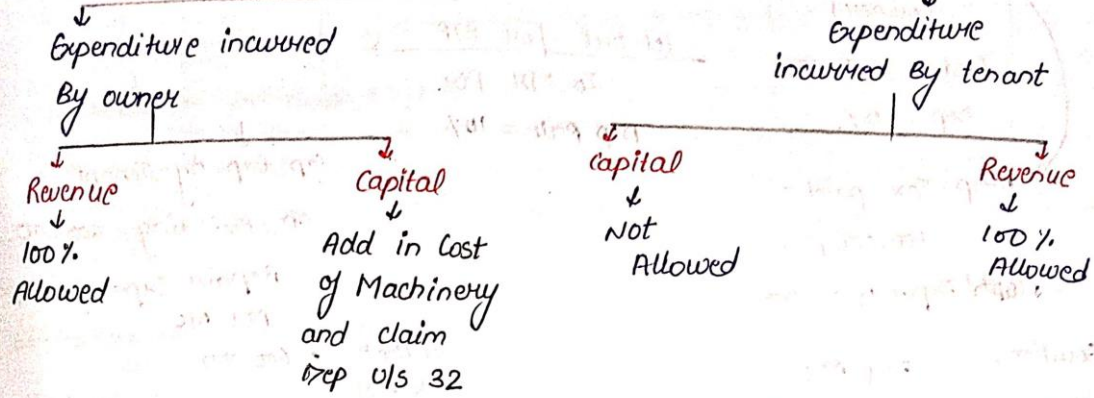


* **Explanation 1 to sec-32(1)**

Capital Expenditure incurred by tenant/lessee then such expenditure deemed as Building in the hands of tenant and such tenant can claim depreciation on such capital Expenditure.



Section-31 Expenditure Related to Machinery, Plant and Furniture (Insurance, Repair)



Example: M.H. V.G. owner of Building - used for Business

Cost of Building = 60,00,000

Ins. premium paid by M.H. V.G. = 50,000 p.a

Tax on property paid by V.G. = 10,000 p.a

Capital exp incurred on Building by V.G. = 5,00,000

Dep. Rate = 10%

What will be the treatment u/s PGBP?

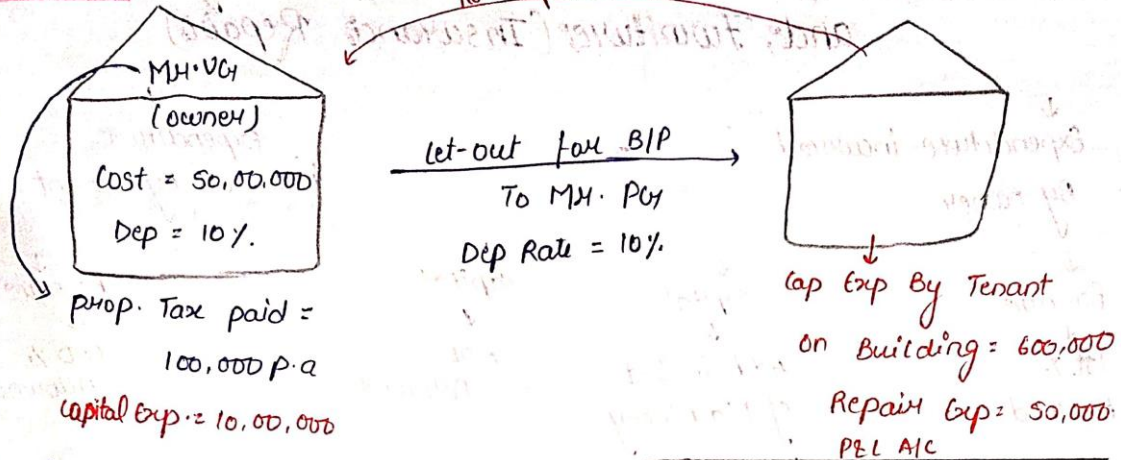
Solution:-

Profit and loss a/c.

To Ins. Premium	= 50,000
To P. Tax	= 10,000
To Dep	= 6,50,000
(60,00,000 + 5,00,000) × 10%	



Example: 2

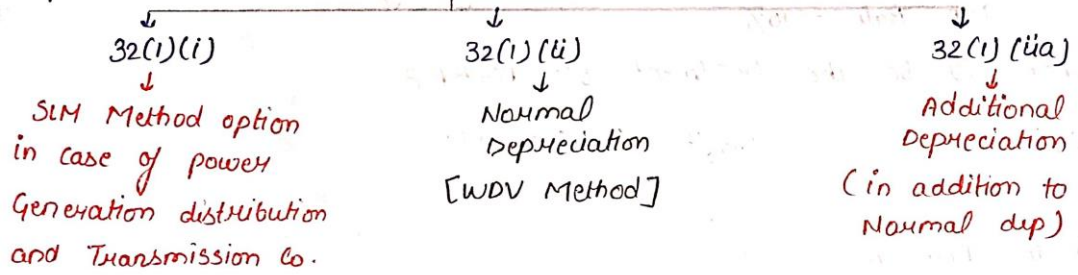


Solution:-

	PEL A/c
To P. Tax =	1,00,000
To Dep (50L + 10L) x 10%.	6,00,000

	PEL A/c
To Rent = 600,000 (50k x 12)	
To Repair =	50,000
To Dep (6L x 10%) =	60,000

Section-32 Depreciation # M.M.M.M Important!!



◦ Section 32(1)(ii) Normal Depreciation

Applicable for Both Tax Regime (Normal, Default)

Eligible Assessee = All Assessee (Individual, Co. firm etc...)

Depreciation in respect of :-

- Tangible Assets
- Intangible Assets
- owned
- wholly ^{or} partly by the assessee **And**
- Used for the purpose of Business ^{or} profession.
- Depreciation SHALL BE Allowed on the WDV
- OF BLOCK OF ASSETS.
- at the prescribed percentage.

◦ Analysis OF Section 32(1)(ii)

- **Depreciation** :- Depreciation is Nutshell, Capital Expenditure ko allowed karwane ka tarika hai.
- **Tangible Assets** :- Building, plant and Machinery, Furniture } wheather
Land (Not depreciable asset) } old ^{or} New
- **Intangible Assets** :- Patent, trademark, license etc... }
Cyclical
- **owned** :- Actual or Beneficial owner or Deemed owner [Both Covered]
- **wholly / partly** :- one owner or More than one owner both person can claim depreciation
- **Used** :- Actual put to Use and Not Ready to Use.

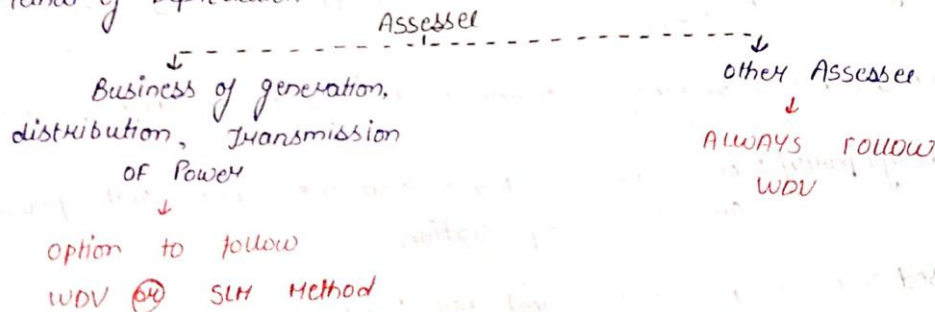


- **Buss/ Prof** → wholly personal purpose → Not eligible for depreciation.
- **shall be allowed** :- **Mandatory** to claim depreciation - Exp 5 to 32(1)
- **On WDV** :- wdv par Milega and wdv Method se Milega.
- **Block of Asset** = Depreciation can claim WDV of Block of Asset Not Single Asset
- **Prescribed percentage** = given in I. Tax Rules

Important Points

- ① In case of stand by Machinery and emergency spare parts, the depreciation shall allowed on Ready to Use Basis not put to Use.
- ② In case of lease depreciation always claimed by lessor wheather lease is operating @ financial.
- ③ In case of Hire purchase Assessee/Buyer get ownership only after payment of last installment but he can claim depreciation from beginning assuming assessee is the owner of such asset from beginning

④ Method of Depreciation



⑤ System of Depreciation

SLM Method

Single Asset Method System shall Apply

WDV Method

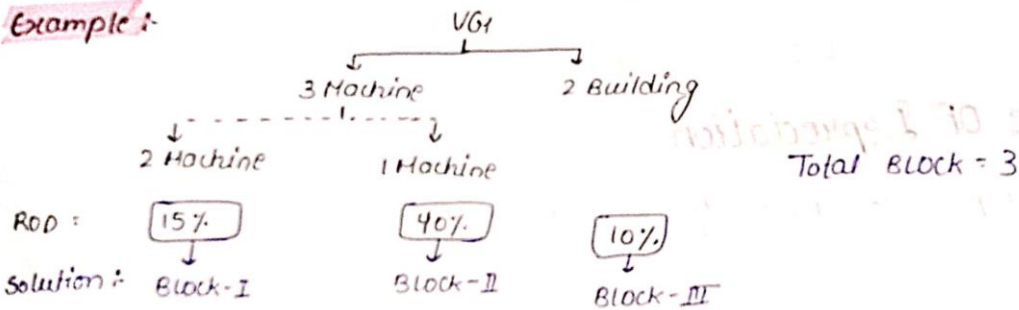
Block of Asset System shall Apply

• Block of Asset

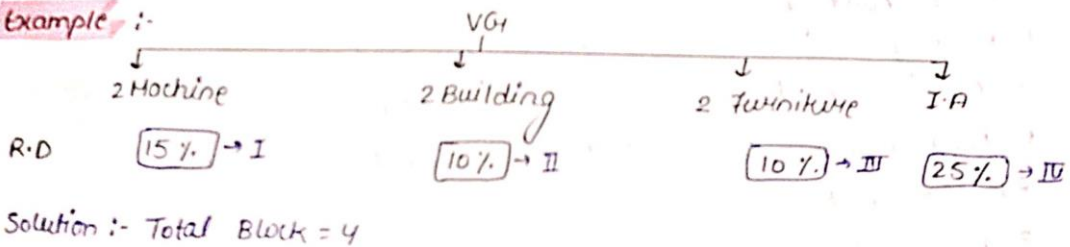
Means, a "GROUP OF ASSETS" having SAME NATURE AND SAME RATE OF Depreciation.

BOA = same Nature and same % age का एक group का जारणा।

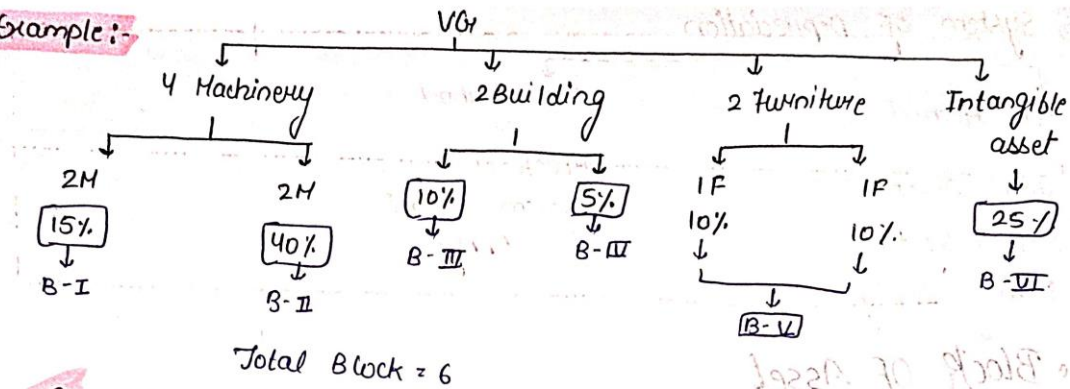
Example :-



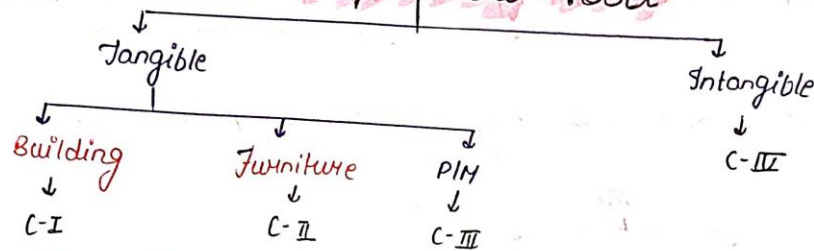
Example :-



Example:-



Classes OF Depreciable Asset



Rate OF Depreciation

Few Depreciation Rates (for other Rates - Refer Book)

Particulars	Rate of Dep.
Class-I Building	
1) Building which are used mainly for Residential Purpose Except hotels and boarding House	5%
2) Building which are Not mainly used for R.P (General Rate)	10%
3) Purely Temporary erection such as wooden structure	40%



Class-II Furniture and fittings General Rate	10%
CLASS-III Plant and Machinery	
1) General Rate	15%
2) Life saving Medical equipment	40%
3) Computer including computer software, UPS, printer etc...	40%
4) Books owned by assessee	40%
5) Aeroplanes, Aero engines	40%
6) Pollution control equipment	40%
7) windmills	40%
8) E- vehicles	40%
9) Ship, vessel, speed boat	20%
Class-IV Intangible Asset (know-how, Patent, Copyright, trademark, license Except goodwill for BIP)	25%



Proviso to Section 32(1)

Depreciation shall be restricted to 50% of depreciation allowed if asset is put to use for less than 180 days in the year of acquisition

Cases

a) purchase and put to use are in same year and put to use for 180 days or more	Full Rate of dep in the year of PTU
b) purchase and put to use are in different year and put to use for 180 days or more	Full Rate of dep in the year of PTU
c) purchase and put to use are in same year and put to use for less than 180 days	Rate of dep \times 50% allowed in the years of P.T.U
d) purchase and put to use are in different year and put to use for less than 180 days	Full Rate of Depreciation

Example:- Mr. Vg purchase a Machine on 15/4/2024 = 40,00,000
ROD = 15%

Compute dep for PY 24-25 and 25-26 if PTU of above Machine as follows:-

- 1) same date 15/4/24 (ii) 5/6/2025
- 2) 18/12/2024 (iv) 8/12/2025

Solution:- Case I PTU 15/4/24 (180 days @ More)

P.Y 24-25 = $40L \times 15\% = 600,000$

P.Y 25-26 = $34L \times 15\% = 5,10,000$



Case-2 18/12/24 (less than 180 days)

$$P.Y\ 24-25 = 40L \times 7.5\% = 3,00,000$$

$$25-26 = 37L \times 15\% = 5,55,000$$

Case-3 5/6/25

$$24-25 = \text{NIL} \text{ since NO PTU.}$$

$$25-26 = 40L \times 15\% = 6,00,000$$

Case-4 P.T.U 8/12/25

$$24-25 = \text{NIL, since NO PTU}$$

$$25-26 = 40L \times 15\% = 600,000 \text{ (50\% Restriction not apply in next year)}$$

◦ Additional Depreciation : Section 32(1)(iia)

Additional depreciation is allowed only to an assessee who exercise option of shifting out of default tax Regime. u/s 115BAC
[Not allowed under Default scheme]

- Eligible Assessee - All assessee
- Eligible Asset - New plant and Machinery except ships and aircrafts.

→ New Plant and Machinery in any area

↓
Rate of additional depreciation

↓
20%

↓
If put to use for less than 180 days

↓
10% (Balance 10% allowed in next Year)



- Rate is applicable on Actual Cost.
- Purpose - Manufacturing or production of any article or thing.
In the business of generation, distribution and transmission

→ Focus Area

- Any Second hand machinery or plant is not eligible to claim additional depreciation.
- Any Plant and Machinery installed in office premises or residential accommodation is Not eligible to claim add. depreciation.
- Any office appliances @ road transport vehicles is Not eligible to claim depreciation (additional)
- Where Plant and Machinery, 100% of actual cost is already allowed as deduction u/s 35 is Not eligible to claim add. dep.
- Additional depreciation is allowed only in first year in which asset is put to use. (If asset is used for less than 180 days, 10% allowed and balance 10% will be allowed next year)
- Forklift truck used in factory is Not treated as transport vehicle hence it is eligible for additional depreciation.

→ Important Point

If asset is used for less than 180 days Add. Dep @ 10% shall be allowed in C.Y and Balance 10% allowed in immediately succeeding P.Y only if assessee opts optional scheme (Normal scheme in immediately succeeding P.Y)



Cases

	Default Scheme u/s 115 BAC	optional Scheme
1) If Asset used for 180 days or More :-		
Add Depreciation in P.Y	X (NOT allowed.)	20%
2) If Asset is put to Use for less than 180 days :-		
• optional scheme in C.Y		optional scheme in N.Y
↓		↓
10%		10%
• optional scheme in C.Y		115 BAC in N.Y
↓		↓
10%		X
• 115 BAC in C.Y		optional scheme in N.Y
↓		↓
X		X
• 115 BAC in C.Y		115 BAC in N.Y
↓		↓
X		X

NOTE :-

when assessee incurs any expenditure for acquisition of any asset or part thereof in respect of which payment or aggregate of payments made to a person in a day, otherwise I

Section 43(6) : Computation OF WDV

opening WDV as on 1/1/1-	=	XXX
Add: Purchase of Assets	=	XXX
less: Sale	=	(XXX)

WDV Before Depreciation		XXX
less: Depreciation of C.Y		(XXX)

WDV after Depreciation		XX



Section 43(1) Actual Cost of Asset means

Particulars	₹
Cost of asset (Purchase Price)	xx
Add: Installation charges	xx
Transportation expenses for asset	xx
Trial Run / Test Run expenses	xx
Taxes and Duties (If ITC Not available)	xx
Interest on loan taken for acquisition of assets upto the date of asset put to use	xx
Less: Amount Received on sale of trial Run product	(xx)

	xx
Less: Subsidy / Govt. grants Received for acquisition of assets.	(xx)

Actual Cost	xx

→ Amendments

When assessee incurs any expenditure for acquiring of any asset or part thereof in respect of which payment or aggregate of payments made to a person in a day, otherwise than by an A/c payer cheque @ a/c payer DD @ use of electronic clearing system exceeds Rs. 10,000 such expenditure shall not form part of Actual Cost.

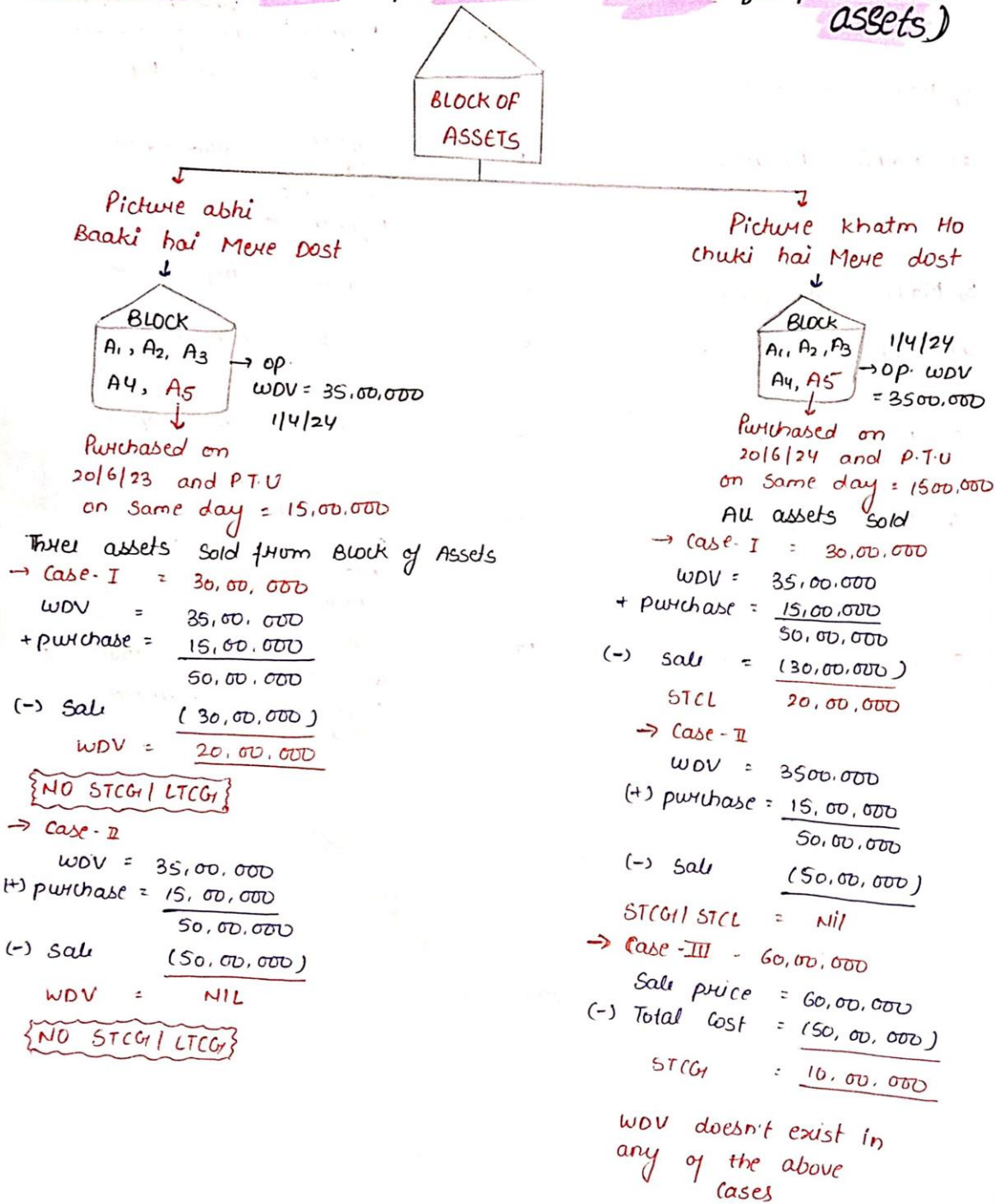


Example:-

Category	Value	Payment	Whether form Part of C.O.A or not
1) Machine purchase	8000	Cash	✓ Dep ✓
2) Machine Purchase	20,000	10,000 Cash 10,000 A/c Payee cheque	Allowed ✓
3) Machine purchase	10,000	Cash	Dep ✓ ✓
4) Machine purchase	20,000	Cash	NO Dep ✗
5) Machine purchase	30,000	NEFT	✓ Dep ✓
6) Machine purchase.	40,000	8000 cash 32000 A/c payee cheque	→ ✗ → Allowed ✓
7) Machine purchase	100,000	11000 cash 89000 A/c Payee cheque	only 89000 Allowed.



Section 50 (Special provisions in case of depreciable assets)



→ Case III = 60,00,000

WDV = 35,00,000

(+) purchase = 15,00,000

50,00,000

(-) Sale = (50,00,000)

WDV = Nil

Capital gain = STCG

S.P = 60,00,000

(-) Total cost = (50,00,000)

STCG = 10,00,000

CRUX :-

1) AGAR PICTURE BAKI HAI TO

YA TO GAIN AREGA, YA TO WDV AREGI, LOSS KABHI BHI NHI AREGA

2) AGAR PICTURE KHATAM HO CHUKI HAI TO

YA TO GAIN AREGA, YA TO LOSS AREGA, WDV KABHI BHI NAHI AREGI

• Section 32(1)(i) + 32(1)(iii) + 41(2) + 50A: Special provisions Relating to power generation undertakings

• Eligible Assessee - Electricity company

• Option - SLM or WDV

→ If opt SLM

Provision follow: 32(1)(i) + 32(1)(iii) + 41(2) + 50A

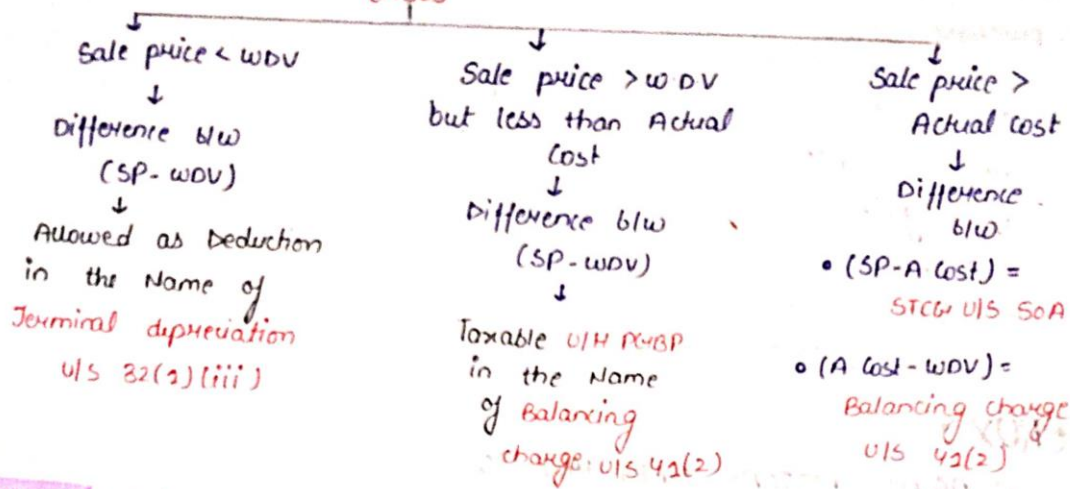
→ If opt WDV

Provision follow :- 32(1)(ii) + 32(1)(iia) + 50



→ Concept of SUM Method u/s 32(1)(i)

CASES



Example: Tata power acquired an Asset (P&M) for power generation Rs 120 lakh. and opt SUM Method for Dep and Rate of dep is 10%. After 6 years, sold on following prices -

- Case 1 - 22,00,000
- Case 2 - 90,00,000
- Case 3 - 140 lakh

Solution:-

Actual Cost	=	1,20,00,000
less: Total dep claimed in 6 years		
(120,00,000 × 10% × 6)	=	(72,00,000)
WDV		<u>48,00,000</u>

Case-I : SP < WDV

Terminal Depreciation = 48,00,000 - 22,00,000
 u/s 32(1)(iii) = 26,00,000

Case-II : SP > WDV

Balancing charge = 90,00,000 - 48,00,000
 u/s 42(2) = 42,00,000



Case III: SP > Cost

STCG u/s 50A = SP 140,00,000

(-) Cost (120,00,000)
20,00,000

Balancing charge

u/s 41(2)

= Cost 120,00,000
 (-) WDV (48,00,000)
72,00,000

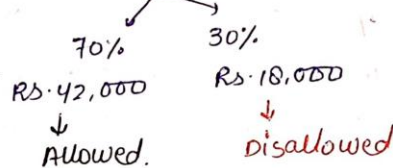
Section 38(2)

where any Building, Machinery, plant or furniture is not exclusively used for the purpose of Business or profession (i.e. partly for Business, partly for personal) then depreciation or deduction u/s 30/31/32 shall be restricted to fair proportionate to use of Business

Example :- opening WDV of P&M (01/04/23) = 400,000

Suppose 70% used for Business purpose and 30% used for personal purpose

Depreciation @ 15% = Rs. 60,000

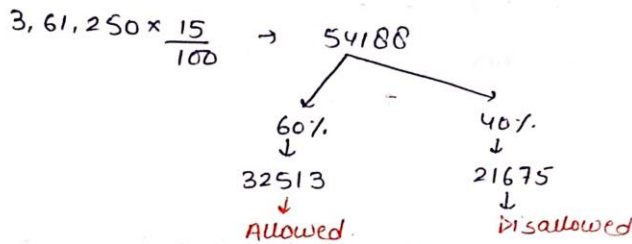


Block of Asset	₹
opening WDV	4,00,000
Less: Dep actually allowed	(42,000)
closing WDV	<u>3,58,000</u>



Q. Mr. VGH acquire Machine of Rs. 500,000 on 1/4/2022 and used for the personal purpose and 1/4/2024 Mr. VGH used such Asset 60% for Business purpose and 40% personal purpose. Compute Depreciation u/s 32 for P.Y 24-25?

Solution :- 500,000 → 31/3/23 → 75,000
 4,25,000 → 31/3/24 → 63,750



o 2nd Proviso to Section 32(1)

In case of Succession or amalgamation or demerger, depreciation is allowed to predecessor and Successor in the Ratio of No of days for which assets were used by them in the P.Y when Succession or amalgamation or demerger takes place. Depreciation to be apportioned shall be computed assuming that Succession has not taken place

Example :- RPL purchase one plant & Machinery on 1/4/2023 = 250,0000
 Rate of Dep = 15%

RPL amalgamated with RIL on 18/12/2023. After Amalgamation, amalgamated Co. will use such assets compute depreciation.

Solution :- Depreciation = 2,50,0000 × 15% → 3,75,000

In the Hands of RPL - 1/4/23 - 18/12/2023
 = $375000 \times \frac{262}{366} = \text{Rs. } 2,68,443$



In the hands of RIL - 19/12/23 - 31/3/24
 $= 375,000 \times \frac{104}{366} = \text{Rs. } 106,557.$

o Unabsorbed Depreciation

Section 32(2): Carry Forward and Set off of Depreciation

→ Set off of Unabsorbed Depreciation

Current year depreciation shall be allowed to be set-off against any income of any head except salary, casual income (including online games)

→ Carry forward of Unabsorbed depreciation

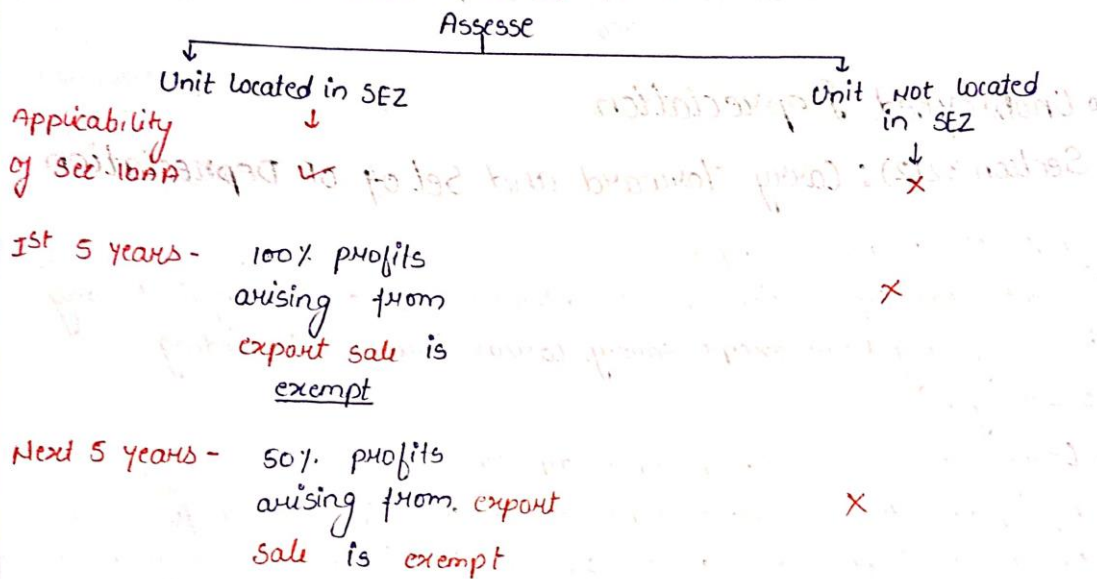
Depreciation to the extent of not set-off shall be carried forward to the next year and set-off against the income of any head except salary and casual income

o Important Points

- ① Depreciation shall be allowed to be carried forward even if business has been discontinued.
- ② The unutilised depreciation can be carried forward for unlimited time.
- ③ Priority of set-off
 - (i) C.Y depreciation
 - (ii) B/F business loss
 - (iii) unutilised depreciation
- ④ Unabsorbed depreciation can be clt and set off even if ROI is filed after due date or ROI not filed.
- ⑤ If assessee avail default scheme, unabsorbed depreciation related to additional depreciation can not be clt.



o Section - 10AA (Deduction if Unit is located in SEZ)



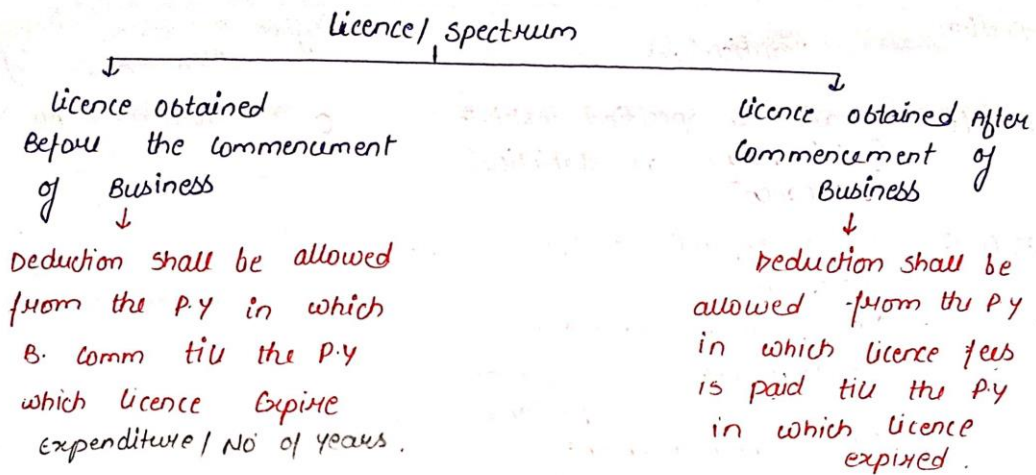
Example:- M.H. VGT has two units : one located in SEZ and other not located in SEZ. Total Turnover of M.H. VGT = 80 Crores. (includes 30 Crores of unit located in SEZ)
 Rs. 20 Crores : export sale out of 30 Crores.
 Total profit of SEZ unit - 16 Crores.
 Compute deduction U/s 10AA

Solution → For 1st 5 years = $\frac{16 \times 20}{30} = 10.67$ Crores.

For Next 5 years → $\frac{10.67}{2} = 5.33$ Crores.



Section 35 ABB/ABA Expenditure for obtaining Telecom



Example:- Idris commenced business of telecom services during 1995-96. Assessee acquired licence on 2/7/23 for 100,000. Life of licence 10 year (HU 30/6/33)

$$\text{Deduction} = \frac{1,00,000}{10 \text{ (PY 23-24 - 33-34)}} = 9092 \text{ /-}$$

Tax Treatment On Sale OF Licence

Cost of licence = 200L, life of licence = 10 P.Y.
 Deduction Allowed = 20L Every year, after 6 year licence sold:-
 1) 55L 2) 125L ③ 220L

Solution:- Cost of licence = 200L ① SP < Unamortised cost
 Amortised cost = $\frac{(20L) \times 6}{80L} = 25L$ (allowed as deduction U/s 35ABB
 55L < 80L

② ⇒ SP > U. cost
 125L > 80L
 = 45L
 Taxable U/M PGBP

③ ⇒ SP > cost
 SP - cost ⇒ 220 - 200 = 20L Capital gain
 cost - U. cost = 200L - 80L = 120L
 (Taxable U/M PGBP)



Section 35 [Expenditure Related to Scientific Research]

Section	Particulars	Regime	Deduction Allowed	Applicability
35(1)(iii)	Donation to specified institute [social science or statistical research]	0	100%	All
35(1)(iv)	Capital expenditure for scientific research • Before commencement :- (3 years before - all expenses) except land • After commencement All expenses except land.	0/D	100%	All
35(1)(i)	Research expenditure for scientific research • Before commencement :- 3 years before only 2 → (Raw Material and salary) etc. • After commencement :- All Revenue expenditure.	0/D	100%	All
35(1)(ii)	Donation to specified institute	0	100%	All
35(1)(ia)	Sum paid to specified company Reg in India for scientific research	0	100%	All
35(2AA)	Sum paid to IIT etc. for research	0	100%	All
35(2AB)	Expenditure in In-House Research, except negative Goods, Land → Not Allowed Building → Allowed u/s 35(1)(iv)		100%	only company



35CC	Expenditure on Agriculture extension	100%	All
35CCD	Expenditure on skill development	100%	only company
37(2B)	Expenditure on advertisement in Magazine of political party	Old	Disallowed All
35DD	Expenditure related to Amalgamation		Allowed in 5 equal Installments Company
35DDA	Expenditure related to URS	Old	Allowed in 5 equal installments All

Question-1 Profit & Loss A/c

Particulars	₹	Particulars	₹
To Exp. on Amalgamation	200,000	By Gross profit	50,00,000
To Depreciation (SLM)	400,000	By Int from F.D	10,00,000
To URS	1,20,000		
To Exp. on Sci. Research	100,000		
To Net profit	51,80,000		

Solution :- Net profit as per Co. Act = 51,80,000
 less: Int on F.D = {10,00,000}
 Add :- Depreciation = {400,000
 :- Exp. on Amalgamation = {2,00,000 - 40,000 } 1,60,000
 :- URS (120,000 - 24,000) = 96,000
40,36,000



Section 37: General Deduction

An expenditure, allowed under Section 37, provided shall be :-

- It is *not* in the nature of expenditure described under Sections 30 to 36.
- It is *not* in the nature of capital expenditure.
- It is *not* a personal expenditure of the assessee.
- It is laid out and expended wholly and exclusively for the purpose of business/profession.
- It is *not* incurred for any purpose which is an offence or which is prohibited by law and [Exp 1 to Sec 37]
- It is *not* an expenditure incurred by an assessee on CSR activities referred to in Section 135 of Companies Act, 2013 [Exp 2 to Sec 37]

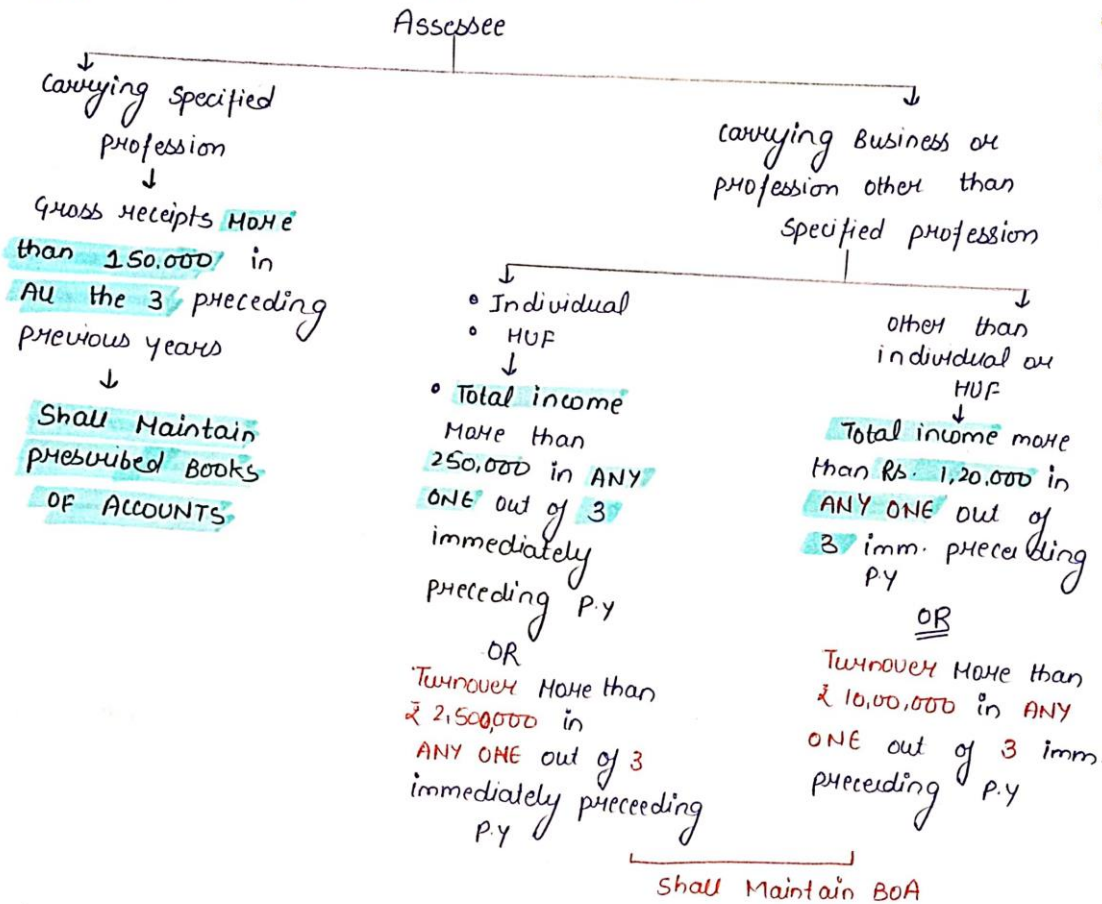
CRUX:-

To expenditure Sec 30 to 36 me allowed nahi hue, vo sabhi expenditure Sec 37 me allowed honge *only if* -

Revenue expenditure + 100% related to business + legal expenses
+ CSR wala exp. Na ho.



o Section 44AA - Accounts and Records



IN Case of Default

Maximum Penalty → upto 25,000 Rs.

Specified Profession

- | | | |
|-------------------------|--------------------------|------------------------|
| 1) Accountancy [CA/CMA] | 4) Film Artist | 7) Company Secretary |
| 2) Legal | 5) Engineering | 8) Interior Decoration |
| 3) Medical | 6) Technical Consultancy | 9) Architectural. |
- 10) Any other profession which, May be Notified by CBDT.



Prescribed Books OF Accounts - Rule : 6F

The following Books of A/c's and other documents are required to be maintained :-

- (i) CASH BOOK
- (ii) Journal
- (iii) ledger
- (iv) Carbon copies of Bills and Receipts
- (v) Original bill and receipts issued to the person in respect of expenditure.

② If GR, TI, TO less than specified limit given above are also required to maintain books of A/c's but there have not been prescribed books of A/c

③ If, where the profession, business has been newly set up in the P.Y, his GR, TI, TO are likely to exceed specified limit, then he is required to maintain books of A/c's.

④ Place at which books of A/c to be kept and maintained :-

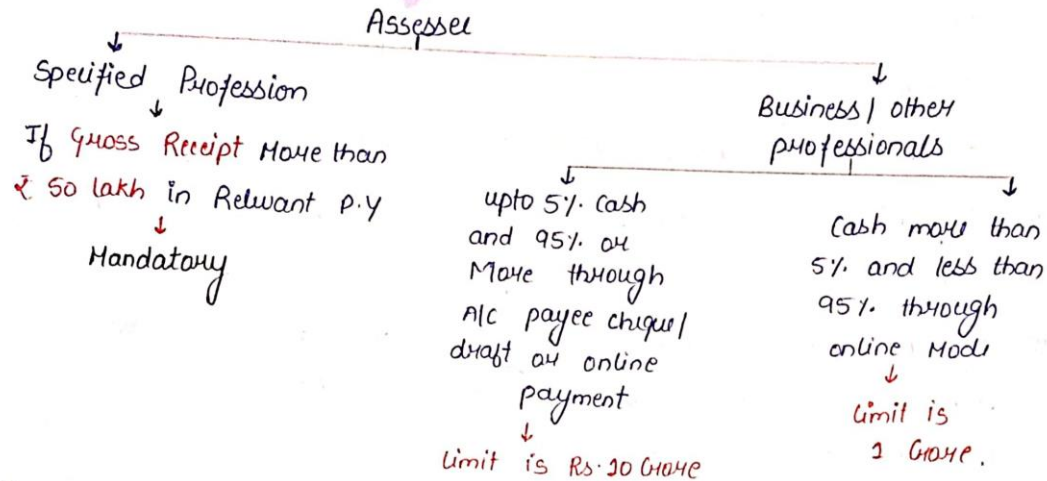
The books of A/c shall be kept and Maintained at the place where the person is carrying on business (or) profession (or) where there is more than one place, at the "principle place of Business"

⑤ Period :- The above books of A/c shall be kept and maintained for a Minimum period of 6 years from the end of Relevant A.Y



⑥ Mandatory to Maintain Books of A/c
 Showing lower Income as compared to Income Computed on
 Presumptive basis u/s 44AE/44AD/44ADA/

Section 44AB - Mandatory Audit of Accounts



- # Audit is done by = CA + COP
- # Audit Report By = upto 30th sept of AY
- # If Default = 0.5% of Turnover
 OR
 1,50,000
 (Penalty) } LESSER : Maximum Rs. 150,000



Example:- M4-V6 Businessman

Turnover	80,00,000	2,40,00,000	2,10,00,000	6,00,00,000	400,00,000
Cash	2,00,000	9,60,000	21,00,000	12,00,000	60,00,000
Sp Mode	7800,000	2,30,40,000	1,89,00,000	5,88,00,000	3,40,00,000
Eligible limit	10 Crone	10 Crone	1 Crone	10 Crone	1 Crone
Audit ?	X	X	✓	X	✓

o Important Points

① The requirement of Audit u/s 44AB does not apply to a person who declares profit and gains for the PY on the presumptive basis u/s 44AD/44ADA/44AE

② Audit Mandatory u/s 44AB

Showing lower Income as compared to income computed on presumptive basis u/s 44AD/44ADA/44AE

o Section 44AD/44ADA [Most Important]

	44AD	44ADA
• Eligible Assessee	<u>Resident</u> → Individual → HUF → Firm (LLP)	<u>Resident</u> → Individual → HUF → Firm (LLP)
• Section Name	Presumptive taxation for Business or Non-Specified professional.	Presumptive Taxation for Specified professional



upto 5% cash 95% or more specified mode	turnover upto 3 Crores	Gross Receipts upto 75 Lakhs
If Not Satisfied	Turnover upto 2 Crores	Gross Receipts upto 50 Lakhs
Deemed PGBP income	→ 8% of turnover → 6% of turnover (if payment received through sp. mode upto due date of filing ROI)	50% of Turnover
Expenditure allowed or disallowed	Not allowed, Not disallowed	Not allowed, Not disallowed
Books of Accounts and audit	Not Required	Not Required.
Set off of losses	Allowed	Allowed
Deduction u/c VI-A	Allowed	Allowed
lock-in-period	5 A.Y (44 AD lena hai to lagatah 5 years lena hai agar bich me withdraw kia to, Next 5 years 44 AD Nahi Milega)	No lock-in-period



Example:-

	Businessman		Professional	
Turnover/Gross Receipts.	2,60,00,000	1,90,00,000	70,00,000	40,00,000
Cash	7,80,000	1,10,00,000	14,00,000	25,00,000
Sp. Made	2,52,20,000	80,00,000	68,60,000	15,00,000
Eligible limit (44A) ADA whether eligible or not	3 crore Yes	2 crore Yes	75 lakhs Yes	50 lakhs Yes
Deemed PGBP income	$7,80,000 \times 8\%$ + $2,52,20,000 \times 6\%$	$1,10,00,000 \times 8\%$ + $80,00,000 \times 6\%$	$70,00,000 \times 50\%$	$40,00,000 \times 50\%$
	15,75,600	13,60,000	35,00,000	20,00,000

o Section: 44 AE

Applicability

Any Assessee who owns not more than 10 goods carriage during the P.Y

Heavy Goods Vehicle. \Rightarrow 1000 per tonne, per Vehicle, per Month
 \downarrow
 Gross weight > 12000 kgs
 (or) part of Month

Other than Heavy goods vehicle \Rightarrow 7500 per Vehicle, per Month (or) part of Month.



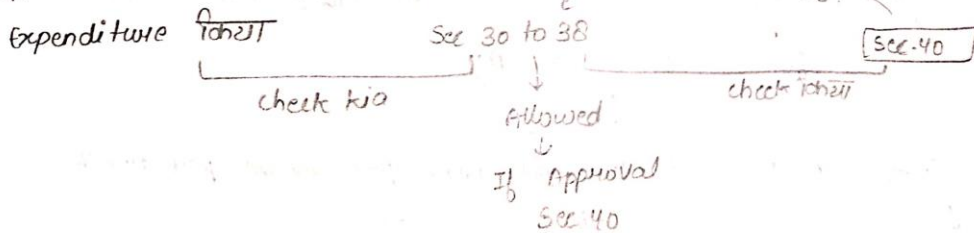
Goods Carriage Hold kitna kiya ye Matley karta Hai, Put to Use kitna Hua ye Matley Nahi karta Hai

1 Tonne = 1000 kg

Exampul:-

No of Vehicle	Gross weight	Hold	Goods Vehicle	Deemed Income.
2	11000 kg each	4M 10 days	NHGV	$2 \times 7500 \times 5$
1	13000 kg	6M 5 days	HGV	$1 \times 1000 \times 13 \times 7$
3	18000 kg each	8M	HGV	$3 \times 18 \times 1000 \times 8$
1	9000 kg	9M	NHGV	7500×9
2	15000 kg	4M 20 days	HGV	$2 \times 15 \times 1000 \times 5$

#



◦ **Section 40(a)(i)**: Amount Not deductible

→ In case of NR

100% of payment which is taxable in India Made outside India or in India to NCR or to foreign Co. on which either:

→ TDS has not been deducted, or

→ after deduction has not been paid on or before due date of filing Return u/s 139(1)

⇒ If TDS has been deducted in subsequent year or has been deducted in P.Y but paid in subsequent year after due date of filing Return u/s 139(1) -

↓

Such sum shall be allowed as deduction in computing income of P.Y in which such tax is paid

◦ **Section 40(a)(iii)**: In case of payment of "salary" Made outside India or to a Non-Resident

on which TDS has not been deducted or after deduction has not been paid before due date of filing Return u/s 139(1)

↓

100% disallowed and

Forever disallowed

↳ i.e even after subsequent payment of TDS deduction of salary not allowed

(only in case of NR or o/s India)



Section 40(a)(ia) : Amount not deductible

→ In case of R

30% of payment to a Resident, on which

- TDS has not been deducted, or

- after deduction has not been paid on or before due date of filing return u/s 139(1)

(i.e. 70% allowed, 30% disallowed)

→ If TDS has been deducted in subsequent year or has been deducted in P.Y but paid in subsequent year after due date of filing Return u/s 139(1)

↓

30% Such sum shall be allowed as deduction in computing income of PY in which such tax is paid.

Example:-

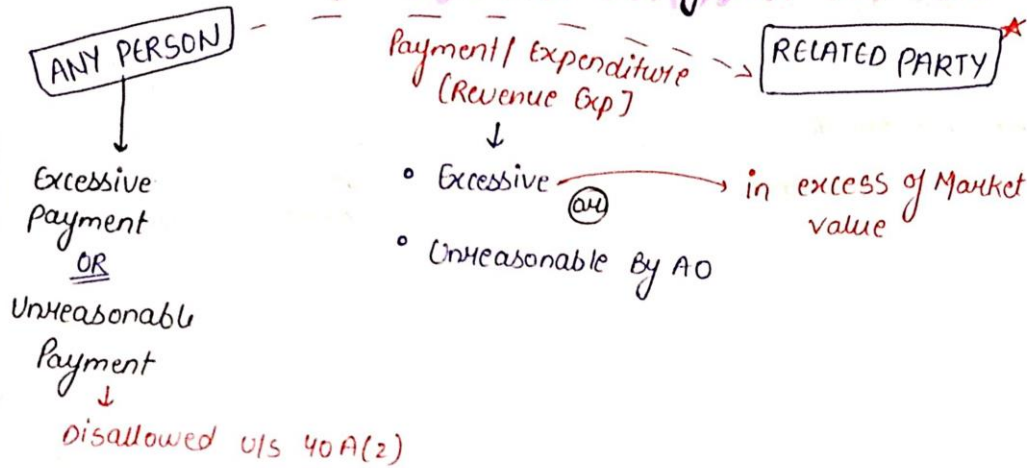
	M.H.V.G.	
	Resident	Non-Resident
Salary →	6,00,000 p.a	6,00,000 p.a
Rent →	4,00,000 p.a	4,00,000 p.a
	<u>10,00,000</u>	<u>10,00,000</u>
TDS Rate -	10%	10%
ROI Due date	31/10/2025	31/10/2025
TDS deducted but paid on :-	(i) 18/7/25 (ii) 25/12/25	(i) 18/7/25 (ii) 25/12/25
Deduction Allowed	24-25? 25-26?	



◦ **Section 40(a)(ii)**

Any sum paid on account of Income tax including surcharge @ less. is fully disallowed.

◦ **Section 40A(2) Expenditure @ Payment Not Deductible**



★ Individual = R.P (Husband, wife, Brother, Sister @ any lineal ascendant @ descendant of the Individual)
grand parents ↑
↓ children

Firm = Any partner of firm @ RELATIVE of such partner.

HUF/AOP = Any Member of the AOP @ HUF @ ANY RELATIVE of such Member

Company = Director of the company @ RELATIVE of Director

Any Assessee = An individual who has a Substantial interest (20% @ More voting power) in the Business @ Relative of such individual



o Section 40A(3)

Any expenditure, in respect of payment OR aggregate of payments made to a person in a single day,

otherwise than

- A/c payee cheque
- A/c payee draft
- Electronic clearing system.

in excess of 10,000 then payment must be Disallowed u/s 40A(3)

In case of Payment to Transport Operator limit is to be Rs. 35,000 shall Apply.

If payment exceeds the limit, then entire expenditure would be disallowed.

o Exceptions of above Provisions

- ① Payment to RBI, SBI, Co-operative Bank.
- ② Payment to Govt (like Taxes)
- ③ Payment for purchase of Agriculture produce, Forest produce, fish and fish products.

o Section 40A(3A) previously allowed exp for which payment is made in current yr

where an expenditure has been allowed as deduction on accrual basis in any previous year, and payment is made in subsequent year, otherwise than A/c payee cheque, A/c payee draft, ECS is in excess of 10,000/35,000, then the entire payment shall be deemed as "PGBP" and charged to tax in subsequent Year. (Add in taxable income)



However deeming provision (40A(3A)) will NOT APPLY in case of exceptions

Section 36 + 40A(7) + 40A(9): Specific Deductions / Certain Deductions

- ① Premium paid on stock-in-trade of bussl profession
- ② Insurance premium paid by employer to employee
- ③ Bonus or Commission
- ④ Interest on capital borrowed
- ⑤ Discount on zero coupon bond on pro-rata basis
- ⑥ Employer contribution in Approved Gratuity fund, Approved Pension fund, Approved provident fund or any other Employer welfare fund → Allowed as deduction.

If fund are unapproved disallowed u/s 40A(7) + 40A(9)

- ⑦ Bad debts written off (Recovery of bad debts recovered taxable u/s 41(4))
- ⑧ Expenditure on family planning → Allowed to company only
 - ↳ Revenue exp = 100% Allowed
 - ↳ Capital exp = 1/5th Allowed (5 installments)
- ⑨ STT or CTT paid allowed as deduction
- ⑩ provision for bad and doubtful debts in case of specified Banks.



Section - 41(3)

Amount realised on Transfer of an asset used for Scientific Research

without being used for other Business

Taxable u/H PGBP

least of the following

• Deduction allowed u/s 35(1)(iv)

OR

• Sale Price

Taxable u/H CGT

S.P - cost of asset

After being used for Business

cost of asset
↓
NIL

(since 100% already allowed)

Sec-50 shall Apply at the time of Sale

Example:-

Capital Exp. on S.Res u/s 35(1)(iv) = 100 lakh

Deduction Allowed = 100L u/s 35(1)(iv)

S.Res Asset sold without being used in other Business and S.P as follows :-

(i) 70 lakh (ii) 90L (iii) 140L

Solution (i) PGBP Taxable = (i) 100L
(ii) 70L } lower → 70L

NO CGT

(ii) PGBP Taxable = (i) 100L
(ii) 90L } less → 90L

NO CGT



(ii) PGBP Taxable = (i) 100L
(ii) 140L \rightarrow 100L

$$CGI = 140L - 100L = 40L$$

o Section 14A + Rule-8D

Any Expenditure incurred to earn exempted income is disallowed under Section 14A

→ What if Mix Exp is to be Given? [Rule-8D]

$$\text{Expenditure Disallowed} = \frac{\text{Total Expenditure}}{\text{Total Income}} \times \text{Exempted Income}$$

Example :- TJ = 6,00,000

E.I = 4,00,000

Exp incurred to earn 10L = Rs. 2,00,000

$$\text{Disallowed} = \frac{2,00,000}{10,00,000} \times 4,00,000 = 80,000/-$$



Section: 35 AD: Deduction for essential business (Investment linked Incentive)

Only for Optional scheme

[Sec 35AD is optional]

S. NO.	Business	% of Deduction
1.	Setting up and operating a cold chain facility	100%
2.	Setting up and operating a warehousing facility for agricultural produce.	100%
3.	Laying and operating cross country pipeline for distribution of petroleum, oil, natural gas	100%
4.	Building and operating a hotel of 2-star and above	100%
5.	Building and operating a hospital with minimum 100 patient beds	100%
6.	Developing and building a housing unit project under slump development scheme.	100%
7.	Developing and building a Housing project under ^{affordable} affordable Housing scheme	100%
8.	Production of Fertilisers in India	100%
9.	Setting up and operating inland container depot or container freight station	100%
10.	Bee keeping and production of bee's Honey and wax	100%



11.	Setting up and operating a warehousing facility for sugar	100%
12.	Laying and operating a slurry pipeline for transportation of iron ore	100%
13.	Setting up and operating a semiconductor wafer fabrication manufacturing unit	100%
14.	Developing or Maintaining and operating or developing, Maintaining and operating a new infrastructure facility	100%

Conditions / Focus Area

- ① Plant and Machinery must be New
 - Exceptions - (i) Imported old plant and Mach (on which depreciation not claimed under IT Act)
 - (ii) 20% of total plant and Machinery can be old.
- ② Deduction allowed on all capital expenses except
 - (a) Land (b) Goodwill (c) Financial Instrument

Further any expenditure in respect of which payment of aggregate of payment made to a person of an amount exceeding Rs. 10,000 in a day otherwise than by A/c payer cheque, or an A/c payer DD or use of ECS through a Bank A/c would not be eligible for deduction.



- (3) Depreciation not allowed if deduction claimed u/s 35 AD.
- (4) Loss of Specified Business can be carried forward indefinitely as per FA 2016, assessee has to file ROI upto due date of ROI for off of losses.
- (5) If asset (on which deduction claimed u/s 35 AD) is sold, then entire sale price, shall be taxable as PGBP (Section 20).
- (6) Loss of Specified Business can be set off only against Specified Business Income irrespective of whether the latter is eligible for deduction u/s 35 AD.
- (7) Infrastructure facility Means -
- (i) A road including toll road, a bridge, or a rail system.
 - (ii) A highway project including housing or other activities being an integral part of highway project.
 - (iii) A port, airport, inland waterway, inland port or navigation channel in the sea.
 - (iv) water supply project, water treatment system, irrigation project, sanitation and sewage system or solid waste
- (8) Assets (on which deduction claimed u/s 35 AD) should be exclusively used for Specified Business for Minimum 8 years from the year of acquisition.
If it is used for Non-Specified Business within 8 years, then,



following shall be taxable u/H PGBP :-

Amount of deduction claimed u/s 35AD earlier	xxx
less :- Depreciation that would have been allowable if Sec 35AD Not there	(xxx)
	<hr/>
PGBP	xx
	<hr/>

NOTE :-

The above amendment is not applicable if company becomes sick industrial company.

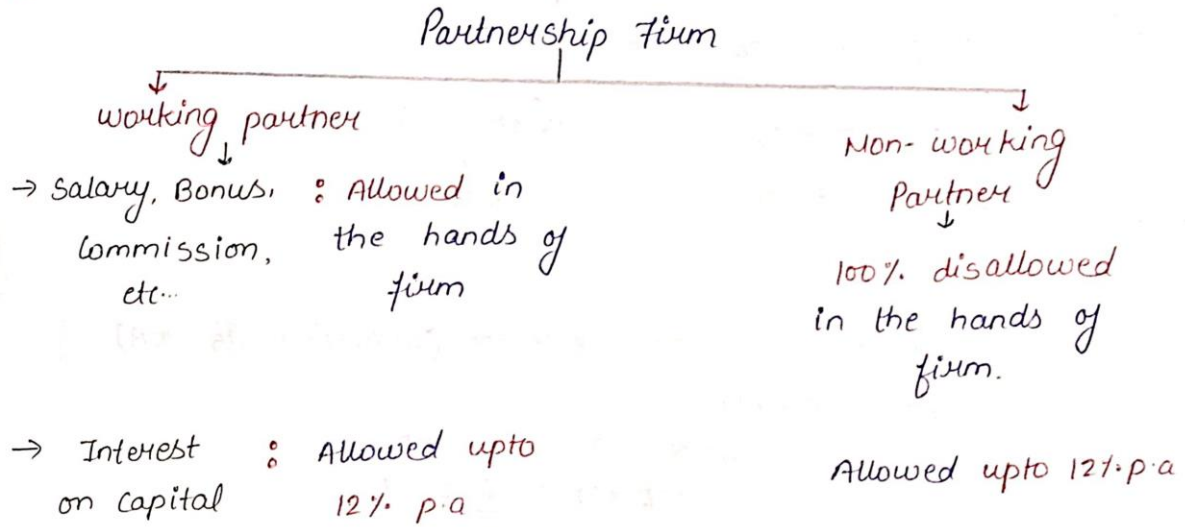
If asset is transferred from specified business to a Non-Specified business within 8 years, then Actual cost for Non-specified business will be :-

Cost of such Asset	xxx
less :- Depreciation allowable if such asset used for Non-specified business from acquisition	(xxx)
	<hr/>
	xxx
	<hr/>



Section 40(b) : Deduction in case of Any firm/LLP

Important



Limit of Deduction u/s 40(b) = I 600,000 Book profit
OR = 90% of Book Profit
 in case of loss OR 300,000
HIGHER

o Balance Book profit = 60% of Book profit



Example :- Partnership firm : Book profit = 20,00,000

Working Partner A = 80,000 p.m

Working partner B = 50,000 p.m

Deduction u/s 40(b) in the hands of the firm?

Solution :- Book profit = 20,00,000

$$6,00,000 \times 90\%$$

$$14,00,000 \times 60\%$$

Higher } $\rightarrow = 5,40,000$
 $\rightarrow = 3,00,000$

$$\downarrow$$

$$8,40,000$$

$$5,40,000 + 8,40,000 = 13,80,000 \text{ [deduction u/s 40B]}$$

\therefore salary Dis allowed.

$$80,000 \times 12 = 9,60,000$$

$$50,000 \times 12 = \frac{6,00,000}{15,60,000}$$

$$(-) \text{ Allowed} = \underline{13,80,000}$$

$$\text{Disallowed} \rightarrow \underline{1,80,000}$$

Example :2 Book profit = 15,00,000

	Salary	Capital	Int paid By firm
W.P - A	25000 p.m	500,000	13%
W.P - B	40,000 p.m	4,00,000	9%
N.W.P - C	20,000 p.m	4,00,000	14%

Solution :- Computation of salary allowed

$$\text{Total Book profit} = 15,00,000$$

$$\text{Jst } 6,00,000 \Rightarrow 6,00,000 \times 90\% \left. \begin{array}{l} \text{OR} \\ 300,000 \end{array} \right\} 5,40,000$$



Balance $\Rightarrow 9,00,000 \times 60\% = 5,40,000$.
 Salary allowed = 10,80,000.

Salary Disallowed

(W.P.A and B) $25,000 \times 12 + 40,000 \times 12$
 $= 7,80,000 \rightarrow 100\%$ Allowed.

Disallowed = 0 (paid within the limit)

N.W.P $\Rightarrow C = 20,000 \times 12 = 24,000$ (disallowed)

o Interest on Capital :-

Capital	upto 12%	excess
500,000	60,000 allowed	5000 disallowed
4,00,000	36,000	-
4,00,000	48,000	8000 disallowed.

Book Profit means the net profits as shown in P&L A/c should be increased by remuneration paid (over) payable to all the partners and int in excess of 12% which has been debited while computing Net Profit.

Example :-

Profit & loss A/c.

To Remuneration to partners	4,00,000	GROSS profit	20,00,000
To Int @ 14%	14,000		
To Net profit	15,86,000		

o Book Profit = 15,86,000 + 4,00,000 + 2,000 \uparrow Int in excess to 12%
 Remuneration
 $= 19,88,000$



◦ Computation of Book Profit

Net profit as per profit and loss A/c		xxx
Add:- Remuneration paid ^{or} payable to all partners of firm	xx	
	xx	
Add:- Interest in excess of 12%.		
Added if the same has been deducting while computing net profit.	<u>xx</u>	<u>xx</u>
	Book Profit	

Example:- Case I

Net profit (after deduction of following items) = 8,00,000

→ Remuneration to Partner = 3,00,000

→ Int @ 14% p.a = 1,40,000

Solution:- Book Profit = 8,00,000 + 3,00,000 + 20,000 (excess 2%)
= ₹ 11,20,000

Case II :- Net Profit (Before Deduction of following items) = 8,00,000.

→ Remuneration to Partners = 3,00,000.

→ Int @ 14% p.a = 1,40,000

Solution:- Book Profit = 8,00,000 - 1,20,000 (12% of Int)
= 6,80,000 Rs.

14% 1,40,000



Section 43B → Certain Deductions to be allowed Only On Payment Basis

In respect of the following sums payable by an Assessee during the P.Y. deduction is allowed only if the sum is actually paid on ^{due date} before the deduction of ROI filing u/s 139(1)

→ List of the Expenditure as follows :-

1. Tax, duty, cess, fees, contribution to PF, Gratuity fund ^{or} any other approved employer fund.
2. Bonus, commission
3. Interest on loan ^{or} borrowing from PF1, Bank, state financial corporation etc.
4. Any sum payable to the Indian Railway for use of Railway effect.

Section : 35D Preliminary Expenditure

- a. Preparation of feasibility and Project Report
- b. Market survey.
- c. Engineering service
- d. Drafting of AOA/MOA
- e. legal fees.
- f. Expenditure Related to public Issue of shares & debentures
- g. other expenditure to be notified.



- # Above Expenditure is allowed in 5 equal installments.
- # Limit of Deduction = Actual Preliminary Expenditure OR 5% of cost of Project
- LESS

o Section - 43B (clause h) Deductions available for Payments Made to MSME.

Any sum payable by the assessee to a micro or small enterprise beyond the time limit specified in section 15 of the MSME Development Act, 2006 would be allowed as deduction only in that previous year in which such sum is actually paid.

Section 15, of the Micro, Small and Medium Enterprises Development Act, 2006 Mandates payments of goods ^(or) services to supplier, being a micro ^(or) small enterprises by the buyer on ^(or) before the date agreed upon between them in writing, i.e. as per the agreement which can not be more than 45 days from the day of acceptance ^(or) the day of deemed acceptance of any goods ^(or) services by a buyer from a supplier. If there is no such written agreement, the payment shall be made before the appointed day i.e. within 15 days.

If the sum payable by the assessee to a Micro ^(or) small enterprise is paid as per written agreement (Maximum within 45 days) or within 15 days in case of no agreement, the deduction can be claimed on accrual basis if Mercantile method of accounting is followed by the assessee.



However, if the sum payable by the assessee to a Micro ^(or) Small enterprise is not paid as per written agreement or within 15 days in case of no agreement, the deduction would be allowed in the previous year in which it is actually paid.

Example:- Mr. A has purchased goods of Rs. 10,000 from A & Co, a micro enterprise on 1.3.2025. As per the written agreement between them, the payment has to be made 5.4.2025. Mr. A follows Mercantile Method of Accounting.

(i) If Mr. A paid the sum on 2/4/2025
 Since Mr. A paid the sum on ^(or) before 5/4/25. the deduction would be allowed in P.Y 24-25.

(ii) If Mr. A paid the sum on 20/4/25
 Since Mr. A paid the sum beyond the time limit, the deduction would be allowed in the year of actual payment i.e P.Y 25-26

→ Meaning of Micro and Small Enterprise.

S. NO.	Meaning
	Manufacturing Enterprises and Enterprises Rendering services
<u>1^o</u>	Micro Enterprises Investment in Plant & Machinery ^(AND) Turnover ≤ or Equipment ≤ Rs. 2 Crore Rs. 5 Crore
<u>2^o</u>	Small Enterprise Investment in Plant & Machinery ^(or) ^{AND} Turnover ≤ Equipment ≤ Rs. 10 Crore Rs. 50 Crore

