

* Loss under Section 35AD

35AD loss → only 35AD profit set off.

Hospital loss किराना shop profit
set off (X) no

2 star choices etc (✓) yes

Other business set off (X)

Other head set off (X)

next year carry forward → within adjust 35AD,
Indefinite no. of years

* Due Date of Filing ITR section 39(1)

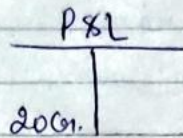
PY 24-25	31 July 2025	31 Oct 2025	30 Nov 2025
↓	Remaining	Audit applicable	International Transaction
IT Return			
<input type="checkbox"/>			
e-filing			

Note: * 35 AD Asset purchase purchase → lock in 8 years
If in between used for any other business purpose ↓

PY 22-23 warehouse for Agriculture
5 July 2022
Cost = 20 Crore

Deduction Reverse
But Dep. → claim (-) minus

22-23 100% dedⁿ = 20Cr.



Lec 9 8 Mar

* Section 36 (Pg 6.24)

• Cost Badhege toh dep Jyul milega

(1) Insurance premium on stock / goods
→ Allowed (

(2) Employees health insurance premium
→ Allowed but ~~no~~ Cash not allowed

(3) Interest on loan

- Generally allowed for business
- If taken for an asset.

Eg

Building Construct = Cost 20 lakhs

start construction

1 July 2019

loan + Int.

Capitalise Jth Int.

Cost	20l
int.	3l
	<u>23l</u>

Put to use
5 Apr 2025

int.
<u> </u>
P&L Debit.

(4) Discount on zero Coupon Bonds
(Jispe int nai milega)

Eg (i) ZCB

FV 10,000

Issue 3000

life 5 yrs

sol $\frac{7000}{5 \text{ yrs}} = 1400 \text{ P\&L Debit Hf.}$

Note = Calculation = Basis of months

5 yrs = 60 months
 $\times 12 \text{m.}$

(ii) ZCB

FV 8000

Issue price 5000

life 8 yrs

Issue on 1 Aug. 2025

Find Exp. allowed for PY 25-26

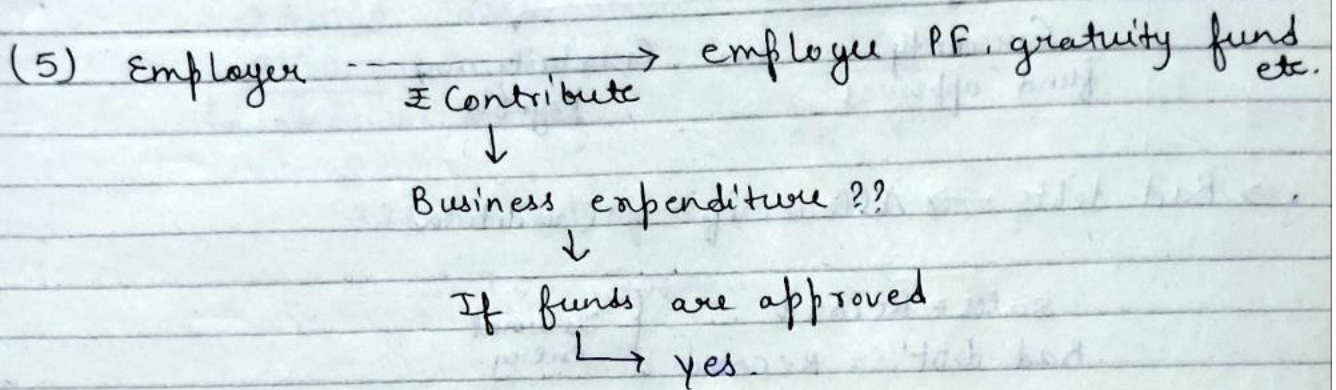
sol $\frac{8000 - 5000}{48 \text{ months}} \times 8 \text{ months (Aug to mar)}$

500 rs.

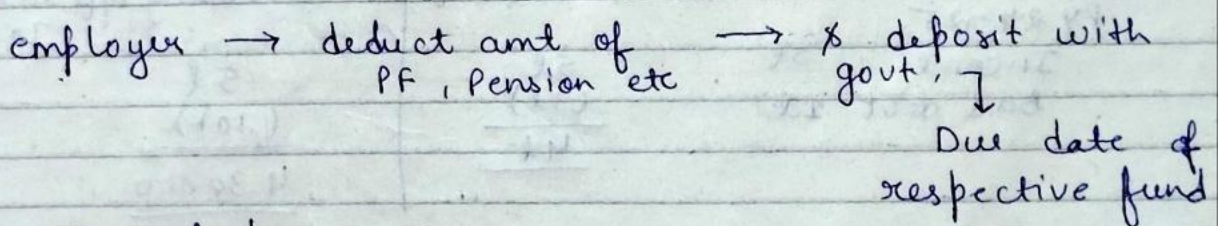
next year rather than 35 AD use.

last year 20 Crore exp.
 Now this year 20 Crore income
 less Dep. 10% $\frac{(2 \text{ Crore})}{18 \text{ Crore Income}}$

Building dep. rate 10% Income t/f to P&L \rightarrow Credit



(6) Employee's Contribution to welfare funds :-



If not done,
 \rightarrow amt will be
 \downarrow
 employer's income

(7) Bad debts

- Income tax provision.

↓
not allowed

↓
Exception ✓

Gratuity fund approved or Gratuity amt. payable

⇒ Bad debts → Allow if → Condition

Sales = Record } Journal Entry
Bad debt = Record }

⇒ Bad debts Recovery (Income)

PY 24-25
Income 5l
Bad debt 1l

5l
(1l)

4l

Assessing officer allow 10,000/-

5l
(10K)

4.30,000

next year recovery 50,000
Income ??

50,000 out of 30,000

Tax already paid

∴ Income = 20,000

Eg PY 24-25 Bad debt 60,000
AO allow = 35,000
Bad debt recovery of
(I). 32,000
(II). 20,000

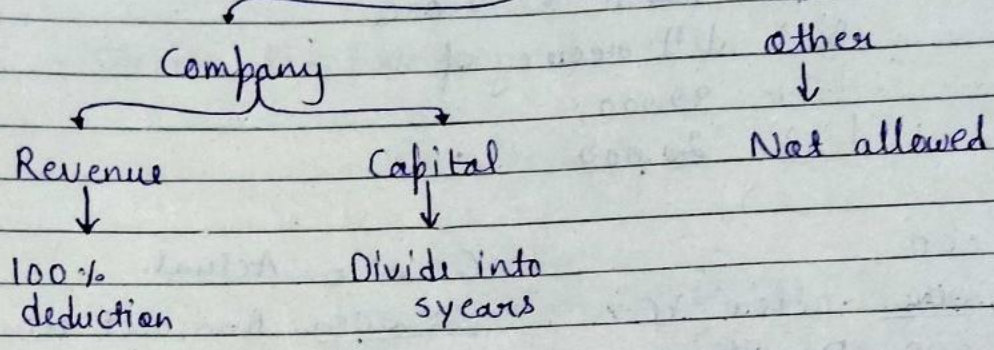
(I)	60,000		60,000	Actual.
	<u>35,000</u>	allow AO	<u>32,000</u>	Bad debt recovery
	<u>25,000</u>	Dis. allow.	<u>28,000</u>	
	→ income inc. already.			

32,000 out of 25,000 Recovery
∴ 7,000 Income.

(II) Recovery = 20,000
already income = 25,000

∴ Income = 0.

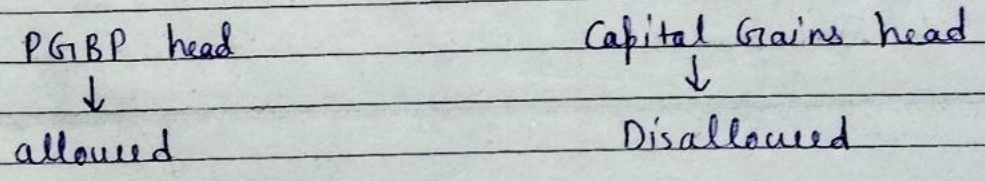
(8) Expenses on Family Planning :- (Business family planning exception)



Eg PY 24-25 Cap. exp 2l
P&L Dr ??

$$2l \div 5 = \underline{40,000}$$

(9) Security Transaction Tax / Commodities Transaction Tax
(STT) (CTT)



Eg Share purchase = 1000
STT pay = 2

Share sell = 2000
STT pay = 5

- Cost (PGIBP) = 1002
- if Cap. gain = 1000 Cost

• Sale Value (PGIBP) = $\frac{2000}{1995}$ (5)

• Cap gain = 2000

Eg 6.26

* Section 37

Income tax amount & Interest Penalties

- Income Tax pay → Expense → (NO) → D₁. P&L. ^{deduction (x)}
- Income Tax Refund → Income → (NO)
- Income tax Act → Interest pay → Expenses → (NO)
- Income tax Act → Interest rec. → (Yes) → IOS head

Eg Refund delay → int rec. 6% p.a.

- Penalty paid
 - Breach of any Business Contract → exp → (Yes)
 - Any law Breach → exp → (NO)

* Section 40A (2)

Excessive Payment ^(or GST payment) to a Related party the excessive ^(or GST amt disallow) Disallow

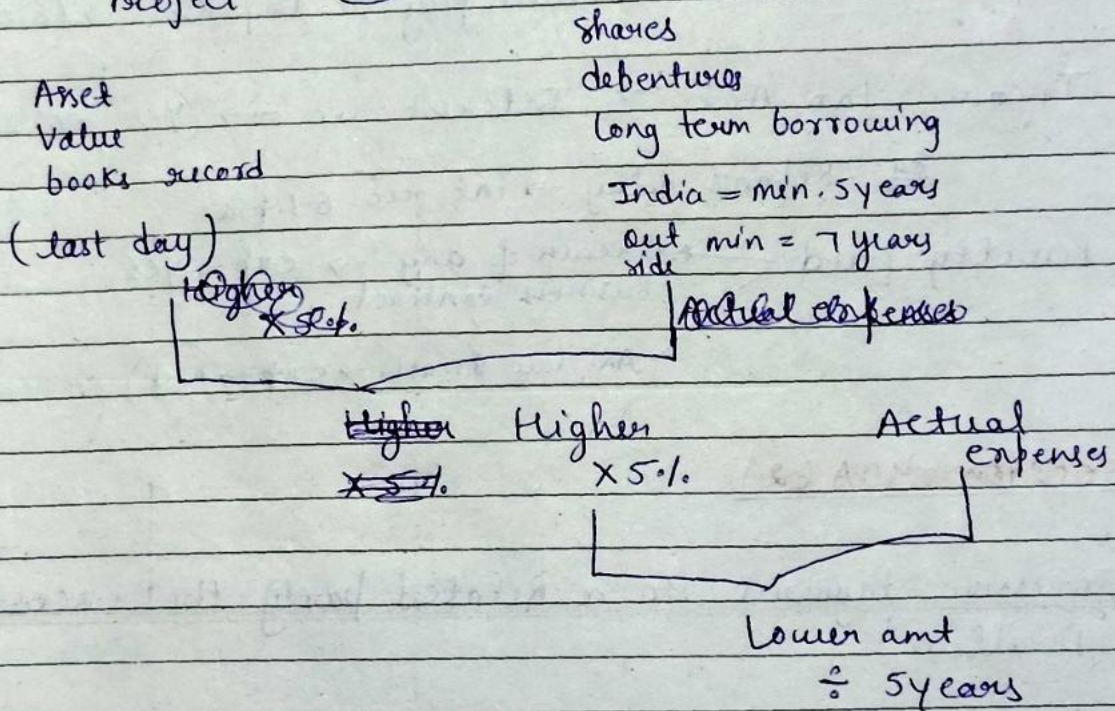
Eg: family / sub / Director / P. firm etc.

Goods purchase = 3 lakh
 Face Market Value = 2.65,000
35,000 Excessive → Disallow
 (P&L → less → then → Add back)

* Section 35D

Preliminary expenses
 ← Bus start
 Preliminary exp.

- Cost of the Project
- Capital employed.



Que A Ltd.

Cost of project 40l
 Cap. employed 60l
 Actual preliminary exp. 40l
 Find exp. allowed u/s 35D.