

(Eg)

Book profit = ₹10000

Rem pay = ₹1

Rem. allowed. 62 ₹110000
90% X 60%
540,000 (₹) 66,000

Allowed. 60,6000

firm allowed = 606000

firm disallow = 94000

Partners

Income ✓

exempt ✓

* Section 44AA → Book of Account maintain

Section 44AB → Tax Audit

Section 44AA

(I) Specified Professional

check ~~in~~ last 3 PY

In all
3 PY

Gross receipt /
sales /
Turnover

(more than)
> 1.5 lakh

Proper Books maintain

(Journal / ledger / Cash book /
Invoice min ₹25, Pay vouchers min ₹50)

In all 3 PY

GR is not > 1.5 lakh

maintain such books so
that AO can calculate

Assessing officer Income.
Income calculate tax Payer.

(Eg)

Current year 24-25

| | (I) Gross receipt | (II) | (III) |
|--------------|-------------------|------|-------|
| 23-24 | 2l | 3l | 2l |
| 22-23 | 1l | 2l | 1.5l |
| 21-22 | 4l | 4l | 4l |
| Books profit | No | Yes | No |

(II)
Individual / HUF

Existing Business

New Business

Last 3 PYs

TI > 2.5l

(or)

TIO > 25l

in any 2 of the last 3 years

↓

yes.

Proper books

(same)

If these limits are likely to exceed

↓

yes.

Proper books

(III)

Others (AOP / BOI / AJP)

Existing Business

New Business

Last 3 PYs

TI > 1.2l

or

TIO > 10l

If any 2 of the last 3 PYs

↓

yes

Proper books

Same

likely to exceed

↓

yes

Proper books

Eg Individual

| | T I | T/0 |
|-------|----------|-----------|
| 23-24 | 1 lakh | 10 lakh |
| 22-23 | 2 lakh | 30 lakh → |
| 21-22 | 2.5 lakh | 20 lakh |

Reason book of A/c maintain

24-25 → Proper Book maintain??

Yes 30 lakh
maintain Books of A/c → AY end + 6 years.

PY 23-24 → AY 24-25 → 31.3.2025
 31.3.2025
 + 6 days
 31

Non-Compliance → Penalty upto ₹ 25,000.

Section 44AB

(I) Tax Audit

Business

Normally
T.O. > 1 Crore
Audit yes ✓

But if
Cash receipt &
Cash payment
man. upto 5%
↓

T.O. > 10 Crore
audit yes ✓

Professional
Gross receipt > 50 lakh
Tax audit ✓

Penalty \rightarrow 1.5 lakh ^{half of TLo.} @ Turnover $\times 0.5\%$
 Lower

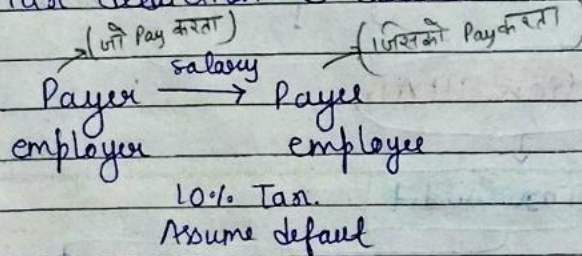
Eg Turnover = 4 crore
 Audit (X) nai karaya
 Penalty ??

$4Cr \times 0.5\% = 2l$ or 1.5 lakh
 Lower
 1.5 lakh \rightarrow Penalty

* Expenses Disallowed under section 40
TDS Default

TDS = Tax deduction @ Source

Mechanism of TDS



\rightarrow TDS = 7th of next Month
 Sep - 7 Oct
 Feb - 7 Mar
 Mar - 30 April
 (Jyada Kam manage karoge)

TDS Default [3 scenarios]

\rightarrow TDS default galti
 \rightarrow Cut (X) naitia TDS
 \rightarrow Cut (✓) tak hia deposit (X) nai kara

(1 scenario)

Payment to NR / outside India (40(a)(iii))
 \downarrow
 of salary

TDS not deducted & deposited upto the monthly due date i.e. 7th of the next month
 \rightarrow Permanent disallow $\rightarrow 100\%$

(2 Scenario)

Payment to NR / outside India (40(a)(ii))



of other than salary
(interest, Technical fees etc)



not deducted & deposited up to due
date of Return filing



Temporary disallow → 100%

(3 Scenario)

Payment to Resident



Any amount (40(a)(ia))



not deducted & deposited up to due
date of Return filing



Temporary disallow → 30%

~~24~~ TDS deposit date = Generally 7th of the next
month

• March → 30 April

Que ① Saumya paid salary to NR on 8 Nov 2024 of ₹ 4 lakh
 & deposited TDS on 11 Dec 2024 (4L disallow ¹⁰⁰%)

② she also paid salary to Mr Aryan amounting
 Feb 2025 to ₹ 13 lakh on 6th Feb ~~2025~~ 2025 & deposited
 7 Mar due date the amount with the govt on 6th Dec 2025

Find amt to be disallowed Assuming audit is applicable
 (ITR)
 (25-26) → wapas (-) kar sakte hai
 (3.9L) (-)

• NR Salary < 8 Nov 2024 Actual deposit
 Due 7 Dec 2024 ITR 11 Dec → late.

4 lakh disallow = ① = ②
 = 100% = Permanent

• Salary to Aryan
 Resident → Any amount.

| | | |
|--------------|----------------------------|----------------------|
| 13 lakh Pay. | Assume Audit | Deposit |
| 6 Feb 2025 | Due date ITR | 6 Dec 2025 ↳ late |
| | 31 Oct 2025 tax deposit | |

PY ~~23~~ 24-25

30% disallow

13L x 30%

= 3,90,000 disallow

Presentation (Provision)

②

As per the section 40(a)(ia) of the Income tax Act 1961,

In Case any payment is made to a Resident the TDS amount should be deposited with the govt. till the due date of Return filing of the relevant F.Y.

In Case the amount is not deposited within time, 30% of expenditure will be disallowed and late [when it is actually paid the amount will be allowed in the F.Y.] extra, nai likhe toh B sak

Now,

In the given Case amount is paid to a resident of ₹ 30l. and audit is also applicable, so the due date of ITR will be 31.10.2025, but the TDS is deposited 6 Dec 2025, therefore 30% amount will be disallowed in the current year.

$$\text{So, } 13l \times 30\% = \underline{\underline{3,90,000}}$$

∴ 25-26 → allowed hoga.

Lec 15 12 Mar 2nd Lec

* Key point to Remember
(For scenario II & III)

TDS deduct = During the PY

(+) &

TDS deposit = Till due date of return filing.

↓

Both are satisfied.

↳ Expense will be allowed in the CY only.

Que 1 Professional fees paid on 8th June 2024 of ₹ 6 lakh
TDS deducted on 16 Dec 2024 & deposited on
18 Dec 2024.

Payment to Ms. Kumkum.

Find amt. to be disallowed.

PY 24-25

| | | | |
|----------|-----------|-------------|-----------------------|
| 1.4.2024 | 8 June 24 | 16 Dec 2024 | Deduct 18 Dec 2024 |
|----------|-----------|-------------|-----------------------|

PY 24-25

During the year deduct → Yes

& deposit before ITR filing → Yes

∴ full amt will be allowed in this year

Que 2 Payment on 9 July 2024

TDS deducted on 2 April 2025

TDS deposited on 3 April 2025

Amt = 7 lacs

9 July 2024
24-25

31 March 25
TDS
deduct

March 2025
31st 2025
deposit.

TDS deduct (X) No.

TDS deposit (+) Yes

ITR filing.

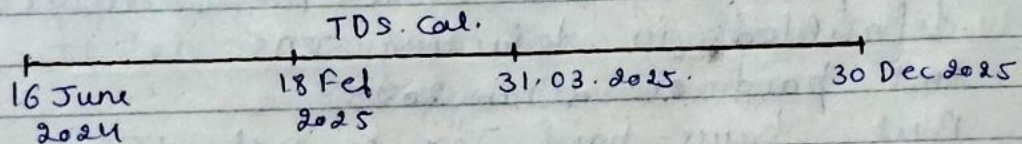
Exps disallowed = 100%

Temporary = 7 lakh

Que 3 Payment of Royalty to Jai on 16 June 2024 ₹9 lakh

• TDS deducted on 18th Feb 2025 & deposited on 30 Dec 2025

Find amt to be disallowed.



TDS deduct during → Yes.
within due ITR deposit date.
disallowance.

i.e 9 lakh @ 30% = 2,70,000.