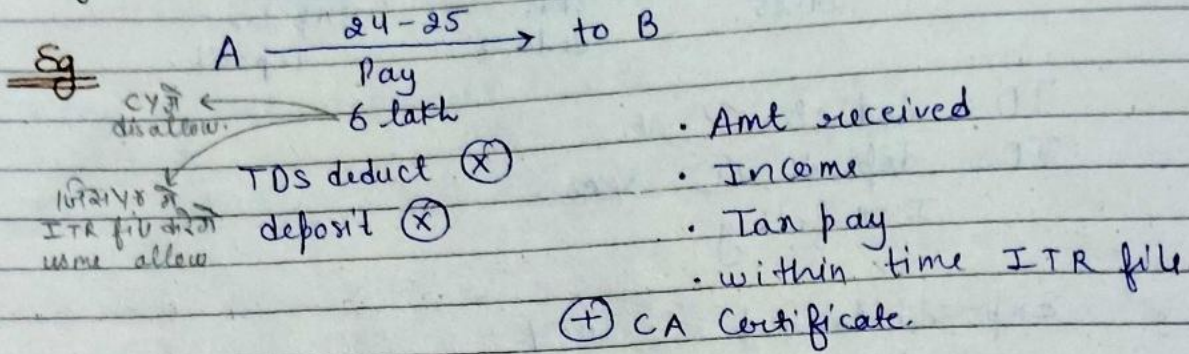


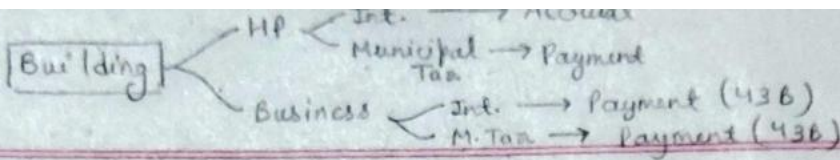
* Payer not to be Considered as Assessee in default



- ⊙ Payer \rightarrow Assessee in default (X) Penalty (X)
- ⊙ Expenditure \rightarrow Payer CY \rightarrow Disallow.
- year ~~Payer~~ of filing return \rightarrow Allowed by Payer.

Que Amt paid ₹ 15 lakhs to a 'R' on which payer defaulted in deducting TDS.
Amt paid on 2 Jan 2025
But payee paid Tax on such 15 lakh & filled ITR on 6 June 2025

<p>2 Jan 2025</p> <hr/> <p>PY 24-25</p> <p>TDS (X)</p> <p>Disallowed</p> <p>15l x 30% <hr/>4.5l</p> <p>Payer is default (X) Assessee in</p> <p>22-23 - Exp. disallow</p>	<p>Payee</p> <hr/> <p>15 lakh</p> <p>Tax pay ✓</p> <p>ITR file ✓</p> <p>6 June 2025</p> <p>PY 25-26</p> <p>4.5 lakh allowed.</p>
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Section 43 B

Expenses → allowed on Payment Basis → Pay till this the due date of Return filing
 (like) (31 July) (31 Oct) (30 Nov)

Pg 6.36

Poem

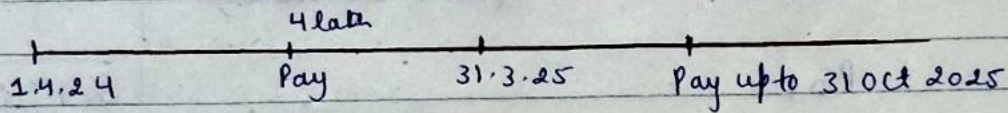
naï dia MSME or Railways or सरकारी Tax - Bonus - Commission Bhi naï Banta.

PF - leave encashment ~~~

Eg

Bank sc loan → Int Pay 4 lakh

• Audit applicable.
 ↳ ITR date 31 Oct.



If paid upto ITR → 24-25 Exp.

If late = Current Year disallowed
 Year pay → Allowed.

Que

Altd. PY = 24-25

Purchase	(70,000 Add back) 10 lakh	Sales	40 lakh.
GST	7 lakh		
Int. to Bank	11 lakh		
Profit	12 lakh		

Note (i) Out of 7 lakhs GST, 3 lakh was paid on 9 Sep 2025 & 4 lakh was paid on 2 Nov 2025

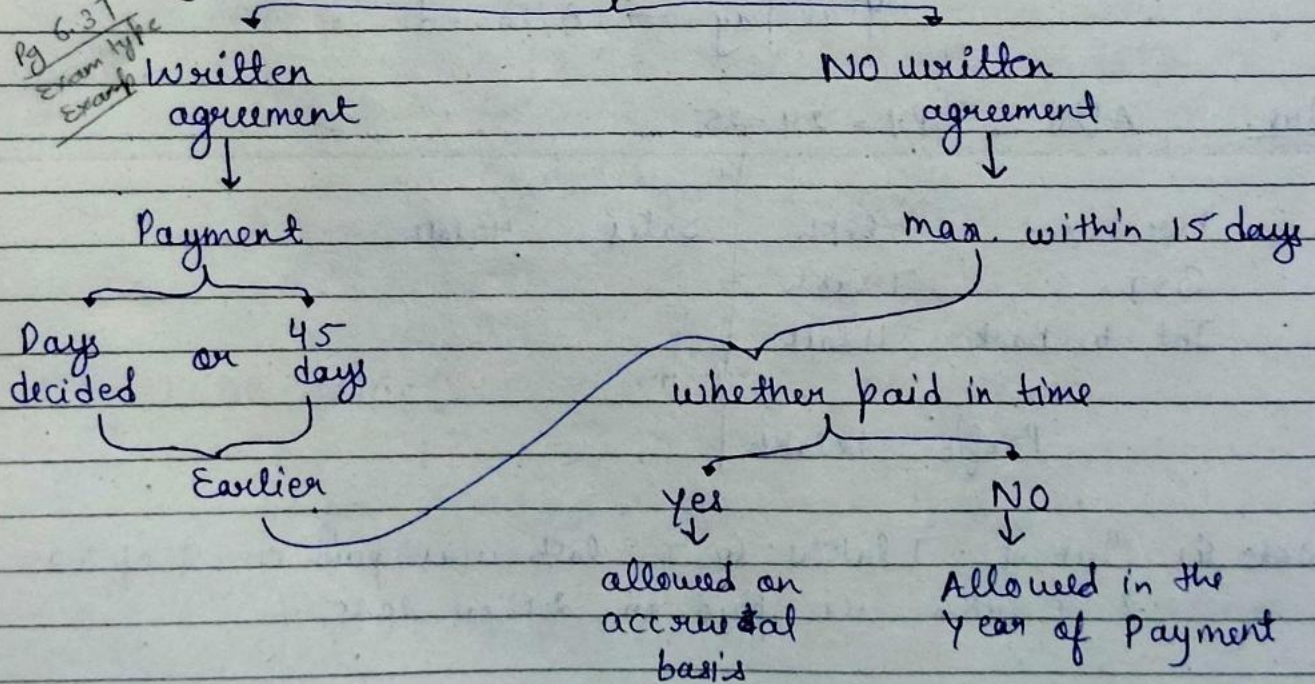
- (ii) Int. to Bank was paid on 4 Dec 2025
- (iii) 70,000 purchase was in Cash.

Find Income under PGBP.

Given profit	12,00,000
Add Cash purchases (disallowed u/s 40A(3))	70,000
Add GST paid after due date of Return filing (disallowed u/s 43B)	4,00,000
Add Int. to Bank paid after ITR due date (43B disallow)	11,00,000
PGBP	<u><u>27,70,000</u></u>

* Payment to micro or small Enterprise

Pg 6.37
Exam type
Example



* Converting interest into Principal

Eg loan = 400 } Repay (X)
Int = 100
Liability 500

Bank arrangements = Interest 100 $\xrightarrow{\text{Convert}}$ Principal

Converting Int. to principal is not a payment. So cannot be deducted.

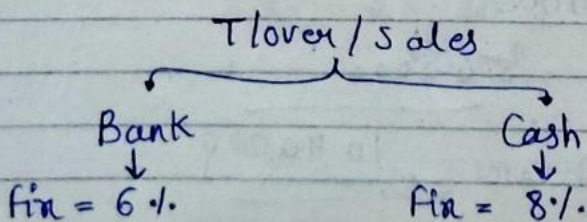
But later on when the amt is actually paid, the int. can be deducted.

* Presumptive Income (Assume)

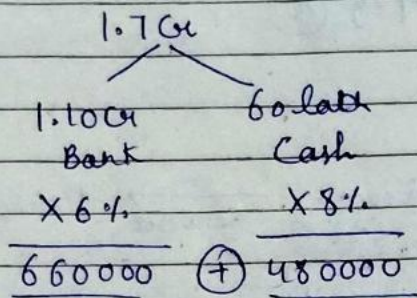
(1) Section 44AD

- Business
 - T/over max upto 2 Crore
 - Benefit \rightarrow Books & Audit not maintain
 - 'R' (Indi, P/firm, HUF)
 - Not eligible.
Agents, Brokers, professionals, Transporters
(44AD) (44ADA) (44AE)
- If Rec. in Cash then max 5%.
Then, limit = 3 Crore.

Income Calculation



Case ① T/over 1.7 Cr
1.10 Cr Rec in Bank income ??



11,40,000 → slab rate calculate then pay tax.

② T/over 2.2 Cr.
Cash 1.55 Cr.

Find Presumptive income u/s 44AD.
44AD Not applicable > T/OU 2 Cr.

Note : Amt. rece. in Bank till due date of return filing is considered as Bank receipt & the balance amount not rec. till the due date is considered as Cash.

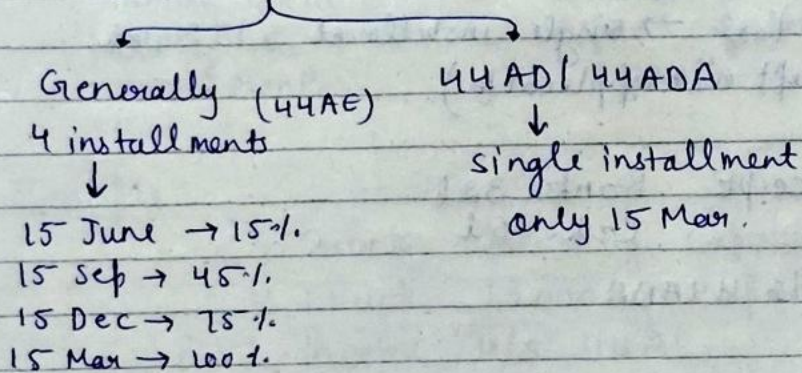
Eg PY = 24-25 T/over = 1.5 Cr. → 6%
Bank rec. till 31 July 2025 80 lakh
Cash receive 30 lakh & 40 lakh is not yet received
Find income u/s 44AD → 8% → Cash.

Bank 80 l	}	Total	x 8%	=	560000
Cash 30 l					
amt not rec. 40 l					
Cash					
					<u>Income 10,40,000</u>

* Other relevant points

- PGBP exp (X) deduct → Not allowed.
(44AD & 44ADA)
- P.firm → Partner (X) Rem. int.
Not allowed
- Clf loss → less yes (✓)
- Deductions → 80c / 80D etc → deduct yes (✓)
(Income based deduction → Not allowed)

• Advance Tax



Eg 44AD → opt → next 5 years → 44AD
but if opt out → next 5 years 44AD (X)

44AD 22-23 + 5 years → 27-28 Feb

Eg 25-26 opt out → 30-31 Feb
44AD (X)

Lec 17 13 Mar

*2) Section 44ADA (Presumptive Income)

- Professionals → If Cash ~~max~~ receipt max upto 5% then limit = 75 lakh.
- GR max upto 50 lakh
- Resident (Indi / P/firm)
- Rate. → T10 / GR → 50%.
- PGBP expenses → Not allowed
- Partnership firm exp → Not allowed
- Clf losses → allowed
- 80C / 80D deduction → allowed
- Installment Adv. tax → single installment = 15 March.
(5 years Concept not applicable)

Eg Doctors G. receipt Bank 32l
Cash 16l

Find income u/s 44ADA

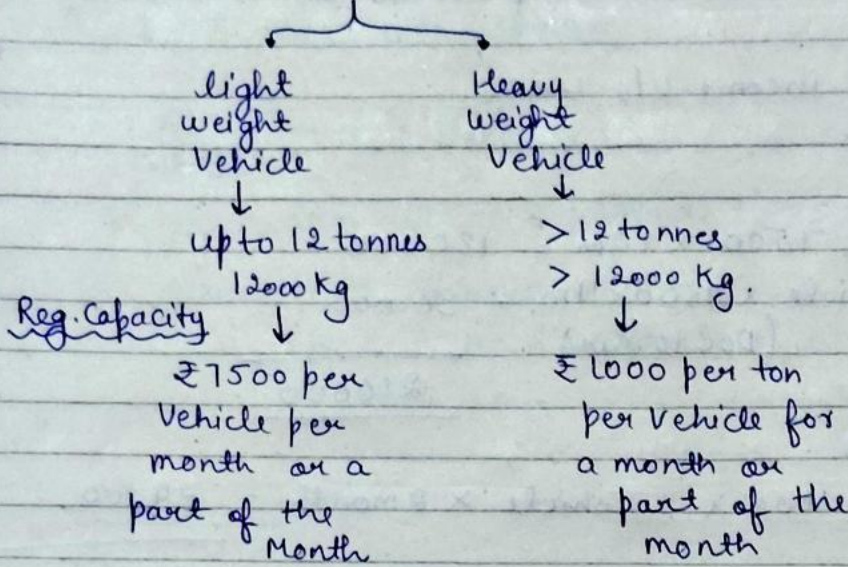
$$GR = 32 + 16 = 48l$$

$$\text{Income Rate} = 50\%$$

$$\text{Income} = \underline{\underline{24l}}$$

(3)* Section 44AE (Presumptive Income)

- Transporters
- Any Assessee
- Max 10 Vehicles



Example

3 Truck 11,000 Kg Capacity
4 Truck 13,000 Kg Capacity
Find income u/s 44AE

~~200000~~ → 11000 Kg light weight
⇒ 7500 × 12 month × 3 Vehicle
⇒ 2,70,000

→ Heavy weight Vehicle
13000 Kg = 13 ton
100000 × 13 ton × 12m × 4 Vehicle
⇒ 6,24,000

Income 44AE = 8,94,000

Que Mr. A is having 2 light weight Vehicles on 1 April 2024

One light weight Vehicle was purchased on
11 Dec 2024

One Vehicle of 17 tonnes was purchase on 27 Feb 2025

Find Presumptive income U/s 44AE.

→ light weight

$$2 \text{ Vehicle} \times 7500 \times 12 \text{m} = 180000$$

$$\text{Purchase 1 Vehicle} \times 7500 \times 4 \text{m} = 30000$$

(Dec to Mar)

$$\underline{210000}$$

→ Heavy weight

$$17 \text{ ton} \times 1000 \times 1 \text{ Vehicle} \times 2 \text{ month} = 34000$$

$$\underline{244000}$$

old Regime (80c)
whatif 5 years FD 80,000 rs. (Yes) deduction.
Cif loss 20,000 (Yes) ✓
unabsorbed dep. 30,000 No X
Partners rem. 40,000

$$244000 - 80000 - 20000 - 40000 = \underline{104000}$$