

JAIPUR BRANCH OF CIRC OF ICAI

[Largest Branch of CIRC of ICAI]

# JAIPUR REFLECTION

E-NEWSLETTER

JULY 2022

## Key Highlights:

- *Beware of Benami Transactions*
- *Section 44AB of the Income Tax Act*
- *FAQs on Section 44AD*
- *Understanding the Jumble of Tax System*



The Institute of Chartered Accountants of India  
(Set up by an Act of Parliament)

# From the desk of Chairman



Dear Esteemed Professional Colleagues!!!

## **Happy CA Day!!!**

July 1<sup>st</sup> is celebrated as CA Day; Institute has seen a glorious era of 73 years in serving the Nation and stepping in the 74<sup>th</sup> Year of continued service to Nation and society at large. If we see our strength in numbers, it is very negligible compared to overall population of the nation and if we measure by our contribution to the country's economic growth we stand ahead of any profession/Institution in the country.

ICAI and its members are doing great service to the nation by conducting awareness program on financial literacy program to public. To continue this service and support country's economy to march towards achieving the economic target of 5 trillion and above, we need to be fit and fine our self, by default we will be abreast with the changes in the profession.

## **The memorable events of July month:**

On our historic day 74<sup>th</sup> year of ICAI – On 1<sup>st</sup> July at the occasion of CA Day, a flag hoisting program was organized at the branch premises. I thank Managing Committee Members, senior members of the profession and all the Members and Students who participated in this event. Apart from the above, Blood Donation Camp, ICAI Vaccination Camp, Free Health & Medical Check Up Camp, and Art Exhibition was organized.

Jaipur Branch & CICASA Jaipur Branch of CIRC hosted National Conference for CA Students on 9<sup>th</sup> & 10<sup>th</sup> July 2022 at Birla Auditorium, Jaipur under the aegis of SSEB, Board of Studies-(Operations), ICAI. The theme of the conference was "अभ्युदय-Lighting the Future Beyond All Limits". The Conference was a historic event, where more than 2000 student participated as delegates.

Dear Friends, I Started My Journey as a Chairman with the Motto "आपके सुझाव- हमारी कार्य सूची" i.e., your suggestion would be my agenda, till now I am following this motto. I strongly believe that everyone among us should contribute and participate in the betterment of profession. If we work together, we grow together!

If you have any suggestions and comments, I'm always a phone call or an e-mail away!

Always Best Regards,



**CA. Kuldeep Gupta**  
Chairman

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# From the desk of Secretary



My Dear Professional Colleagues,

## Happy CA Day!!!

The July month is very special to us because it is our day, i.e., CA Day, the day when CA Institute has been founded by an act of parliament on 1st July 1949. At this juncture we should always remember and be grateful to all the predecessors of our profession who have laid a strong foundation to this successful profession, and it has seen a splendid year. Let us all celebrate this CA Day by pledging ourselves to have the continued commitment, honesty and Integrity and we should take our profession to its pinnacle.



The Institute and members have served their fullest, they took part in many laws guiding, drafting and successful implementation of fiscal policies of government, they also assisted government in efficient collection of taxes even in difficult situations.

It is the era of youth, you have the power to change your surrounding with your commitment and dedication, you must be a pillar to a strong society, economy, and our country. With this Motto Jaipur Branch & CICASA Jaipur Branch of CIRC hosted **National Conference for CA Students "अभ्युदय-Lighting The Future Beyond All Limits"** on 9th & 10th July 2022.

At Last, I request all the members who are willing to contribute for newsletter on any topic can share the same with us at [jaipur@icai.org](mailto:jaipur@icai.org)

In service of the Profession,

**CA. Ruchi Gupta**

**Secretary**

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# Beware of Benami Transactions !



CA ADITYA BAJAJ

As the term says itself, “Benami” i.e. use of same other name. Any transaction which is entered by the person using the name of other person is known as Benami Transaction. We have widely heard of Benami Property i.e. a property purchased by the person in name of other person but for self use. Similarly the term Benami is not limited to transaction of Immovable Properties, but any transaction which is in nature where the legality on papers is different from substance behind the transaction. This can be understood with very simple example: Mr Ram buys a house in name of Mr. Shyam. Now the legal document of the house are in name of Mr. Shyam but the consideration for purchase was paid by Mr. Ram and the family of Mr. Ram is living in the house. So this transaction is a Benami transaction. The commonly attached terms to benami transactions are Benamidar and Beneficial Owner. Benamidar is the person who lends his name and has no other interest in the transaction and Beneficial Owner is the person who is the main person interested in the transaction. In our above example and Benamidar is Mr. Shyam and Beneficial Owner is Mr. Ram.

Such transaction are generally entered to use the Black Money in the name and disguise of other person. Few people buy these properties to defraud bank and creditors. Some people who are willing to buy the SC/ST properties or the properties which can exclusively purchased by Agriculturist, tend to enter into Benami Transaction, buy purchasing such property in name of SC/ST person or Agriculturist and using the same for their own benefit.

In order to stop such ill practices government has taken various steps to implement a law to punish those who enter into such type of transaction. The Benami Transactions (Prohibition) Act, 1988 was enacted in the year 1988 with the object of

prohibiting benami transactions. However there were certain discrepancy and shortcomings in the law of 1988. The Original Act contained a mere 9 sections, including the power of acquisition of such benami property by an appropriate authority and also powers to prosecute offenders. Although the Original Act empowered the Central Government to make rules under Section 8, no such rules were ever framed. Therefore, the Original Act was widely regarded as a “toothless” legislation, which though empowered the State to confiscate properties, was rarely used and most importantly, no procedure, rules or mechanism were prescribed to give effect to the provisions of the Original Act. The most glaring question with respect to the amendment arose as to why an amending act was required, which completely and comprehensively overhauled the previous Act making the previous nine sections statute into a larger and broader seventy two sections enlarging the scope and jurisdiction in one single sweep.. The answer as to why the old Act was revived rather than a new Act legislated lies in the speech of the then Hon'ble Finance Minister Late Mr. Arun Jaitley, while addressing arguments pertaining to the Amendment Act, clearly stating that in order to not provide any immunity or escape to the perpetrators between the period of 1988-2016, it was required that the old Act be not repealed and instead the amending act be enforced as a 28 year immunity would not have been in larger public interest. Therefore the provisions that came in 2016 were made applicable retrospectively.

If any property is identified as Benami Property then how the proceedings will go on is as under:

## **Section 24: Notice and attachment of property involved in benami transaction**

(i) Where the Initiating Officer, on the basis of material in his possession, has reason to believe that any person is a benamidar in respect of a

# Beware of Benami Transactions !

property, he may, after recording reasons in writing, issue a notice to the person to show cause within such time as may be specified in the notice why the property should not be treated as benami property.

(ii) Notice under sub section (i) shall also be issued to the beneficial owner if his identity is known.

(iii) Where the Initiating Officer is of the opinion that the person in possession of the property held benami may alienate the property during the period specified in the notice, he may, with the previous approval of the Approving Authority, by order in writing, attach provisionally the property in the manner as may be prescribed, for a period not exceeding ninety days from the date of issue of notice under sub-section (1).

The Initiating Officer, after making such inquiries and calling for such reports or evidence as he deems fit and taking into account all relevant materials, shall, within a period of ninety days from the date of issue of notice under sub-section (1),—

(a) where the provisional attachment has been made under sub-section (3),—

(i) pass an order continuing the provisional attachment of the property with the prior approval of the Approving Authority, till the passing of the order by the Adjudicating Authority under sub-section (3) of section 26; or

(ii) revoke the provisional attachment of the property with the prior approval of the Approving Authority.

(b) where provisional attachment has not been made under sub-section (3),—

(i) pass an order provisionally attaching the property with the prior approval of the Approving Authority, till the passing of the order by the Adjudicating Authority under sub-section (3) of section 26; or

(ii) decide not to attach the property as specified in the notice, with the prior approval of the Approving Authority

Where the Initiating Officer passes an order continuing the provisional attachment of the property under sub-clause (i) of clause (a) of sub-section (4) or passes an order provisionally attaching the property under sub-clause (i) of clause (b) of that sub-section, he shall, within fifteen days from the

date of the attachment, draw up a statement of the case and refer it to the Adjudicating Authority.

## **Consequences if the property or the transaction is held as Benami**

### **Section 5: Property held Benami liable to confiscation**

Any property, which is subject matter of benami transaction, shall be liable to be confiscated by the Central Government.

### **Section 6: Prohibition on re-transfer of property by benamidar**

© No person, being a benamidar shall re-transfer the benami property held by him to the beneficial owner or any other person acting on his behalf.

© Where any property is re-transferred in contravention of the provisions of sub-section (1), the transaction of such property shall be deemed to be null and void.

© The provisions of sub-sections (1) and (2) shall not apply to a transfer made in accordance with the provisions of section 190 (IDS Scheme) of the Finance Act, 2016

## **Penalties**

**Section 3.** (1) No person shall enter into any benami transaction.

(2) Whoever enters into any benami transaction shall be punishable with imprisonment for a term which may extend to three years or with fine or with both.

(3) Whoever enters into any benami transaction on and after the date of commencement of the Benami Transactions (Prohibition) Amendment Act, 2016, shall, notwithstanding anything contained in sub-section (2), be punishable in accordance with the provisions contained in Chapter VII.]

This means sub section (2) shall be applicable to those cases where the transaction has been done before 1<sup>st</sup> November 2016

### **Section 53: Penalty for benami transaction**

Where any person enters into a benami transaction in order to defeat the provisions of any law or to avoid payment of statutory dues or to avoid payment to creditors, the beneficial owner, benamidar and any other person who abets or induces any person to enter into the benami

# Beware of Benami Transactions !

transaction, shall be guilty of the offence of benami transaction.

Whoever is found guilty of the offence of benami transaction referred to in sub-section (1) shall be punishable with rigorous imprisonment for a term which shall not be less than one year, but which may extend to seven years and shall also be liable to fine which may extend to twenty-five per cent. of the fair market value of the property.

## **Section 54: Penalty for false information**

Any person who is required to furnish information under this Act knowingly gives false information to any authority or furnishes any false document in any proceeding under this Act, shall be punishable with rigorous imprisonment for a term which shall not be less than six months but which may extend to five years and shall also be liable to fine which may extend to ten per cent. of the fair market value of the property

## **Section 55: Previous Sanction**

No prosecution shall be instituted against any person in respect of any offence under sections 3, 53 or section 54 without the previous sanction of the

Board.

## **Role of Income Tax Act**

The Benami Law is not mutually exclusive to applications of other laws but has an overriding effect to the extent where any inconsistent provision of any other Act could have a role to play on that particular transaction/ situation.

For your regular income, the maximum rate of tax that you pay is 30 per cent. However, investments made in benami names shall be taxed u/s 68 to 69D at a flat rate of 60 per cent. Moreover, the person will have to pay a surcharge at 25 per cent and cess @ 4 per cent, on the tax amount. After taking into account all the taxes and surcharge, the tax liability will come to 83.25 per cent of the value of such investments. In addition to the tax liability, such person also will have to pay interest, penalty at the rate of 10 per cent of the tax payable. So, in all probability, the aggregate tax liability together with interest and penalty, may be more than the value of the property.



# Section 44AB of the Income Tax Act



CA NAMAN MALOO

**Section 44AB of the Income tax act** deals with the provision related to **Tax audit**. There are in all 5 clauses under which one might be required to get their books of accounts audited and file Tax audit report and in this post we shall try to discuss each clause one by one.

## Clause (a) of section 44AB is as under:

*“(a) carrying on business shall, if his total sales, turnover or gross receipts, as the case may be, in business exceed or exceeds one crore rupees in any previous year [\*\*\*]:*

*[Provided that in the case of a person whose—*

*(a) aggregate of all amounts received including amount received for sales, turnover or gross receipts during the previous year, in cash, does not exceed five per cent of the said amount; and*

*(b) aggregate of all payments made including amount incurred for expenditure, in cash, during the previous year does not exceed five per cent of the said payment:*

*[Provided further that for the purposes of this clause, the payment or receipt, as the case may be, by a cheque drawn on a bank or by a bank draft, which is not account payee, shall be deemed to be the payment or receipt, as the case may be, in cash,]*

*this clause shall have effect as if for the words “one crore rupees”, the words “[ten] crore rupees” had been substituted; or”*

Now the first clause deal with conducting tax audit in relation to any person carrying on business and if the turnover or gross receipts from business exceeds Rs. 1 crore.

This clause is applicable to all types of entities such as proprietorship, partnership firm, LLP, AOP, BOI etc

which carries on business.

**Thus, as per clause (a) no business is required to get their books of accounts audited under Income tax act if the turnover of their business is below Rs. 1 crore.**

However, this limit of Rs. 1 crore shall be increased to Rs. 10 crore from FY 2020-21 if the total of amount received or amount paid in cash by such business does not exceed 5% of total receipt or payment respectively.

**Also, any amount paid by cheque other than account payee cheque shall also be considered as amount paid in cash.**

## Clause (b) of Section 44AB is as under:

*“(b) carrying on profession shall, if his gross receipts in profession exceed fifty lakh rupees in any previous year; or”*

**Clause (b) is very simple and says that any person carrying on profession will be liable for Tax audit if it's receipts from such profession exceeds Rs. 50 Lakh.**

Section 44AB does not define profession and as per Income tax act section 2(36), Profession includes vocation.

## Clause (c) of Section 44AB is as under:

*“(c) carrying on the business shall, if the profits and gains from the business are deemed to be the profits and gains of such person under section 44AE or section 44BB or section 44BBB, as the case may be, and he has claimed his income to be lower than the profits or gains so deemed to be the profits and gains of his business, as the case may be, in any previous year; or”*

**Clause (c) deals with some special presumptive income provisions applying for business related to plying of vehicles, mineral oil business or turnkey**



# Section 44AB of the Income Tax Act

projects and such businesses declares their profit lower than the profit ratio or value mentioned in these sections then they are required to get their books of accounts audited.

## Clause (d) of Section 44AB is as under:

*“(d) carrying on the profession shall, if the profits and gains from the profession are deemed to be the profits and gains of such person under section 44ADA and he has claimed such income to be lower than the profits and gains so deemed to be the profits and gains of his profession and his income exceeds the maximum amount which is not chargeable to income-tax in any previous year; or”*

Tax audit under this clause is also applicable on profession but specifically with person who are covered under section 44ADA (i.e. legal, medical, engineering or architectural profession or the profession of accountancy or technical consultancy or interior decoration or cinematic film artist) and he claims his profit from such profession as lower than the profit deemed under section 44ADA (i.e. minimum 50% of gross receipt) and whose total income exceeds maximum amount not chargeable to tax.

**Hence, in our opinion all professionals who are having receipts less than Rs. 50 lakh and who declares profit less than 50% of total receipts needs to compulsorily get their books of accounts audited even if they are maintaining books of accounts and not taking benefit of presumptive taxation.**

## Clause (e) of Section 44AB is as under:

*“(e) carrying on the business shall, if the provisions of sub-section (4) of section 44AD are applicable in his case and his income exceeds the maximum amount which is not chargeable to income-tax in any previous year,”*

This clause makes Tax audit applicable for such person who are liable for Tax audit under sub-section 4 of section 44AD and whose total income exceeds maximum amount not chargeable to tax. Now, person who are covered under sub-section 4 of section 44AD are as under:

*“(4) Where an eligible assessee declares profit for any previous year in accordance with the provisions of this*

*section and he declares profit for any of the five assessment years relevant to the previous year succeeding such previous year not in accordance with the provisions of sub-section (1), he shall not be eligible to claim the benefit of the provisions of this section for five assessment years subsequent to the assessment year relevant to the previous year in which the profit has not been declared in accordance with the provisions of sub-section (1).”*

As per the above provision a person is liable for audit if a person who had in previous year declared profit in accordance with provision of section 44AD(1) i.e. (i.e. at minimum 6% or 8% of turnover without maintaining books of accounts) and if for any of the next five years if the assessee does not disclose profit as per the provision of section 44AD(1) then the assessee will be liable for getting it's books of accounts audited under section 44AB.

**It is important to note here that a person is liable for audit under this clause only if he has declared profit under section 44AD, hence if a person has never opted for declaring profit under section 44AD then even if his profits are not as per provision of section 44AD he won't be required for tax audit under this clause.**

Now that we have discussed all 5 clauses of Section 44AB, let's discuss situations wherein Tax audit under section 44AB won't be applicable which is as under:

*“Provided that this section shall not apply to the person, who declares profits and gains for the previous year in accordance with the provisions of sub-section (1) of section 44AD and his total sales, turnover or gross receipts, as the case may be, in business does not exceed two crore rupees in such previous year:*

*Provided further that this section shall not apply to the person, who derives income of the nature referred to in section 44B or section 44BBA, on and from the 1st day of April, 1985 or, as the case may be, the date on which the relevant section came into force, whichever is later”*

A person is not required to do Tax audit if he declares profit under section 44AD, 44B or 44BBA or any other provision of presumptive taxation.

# Section 44AB of the Income Tax Act

Now let's discuss a few important points and some FAQ related to Tax audit under Income tax act:

**1. Does a company or LLP need to do Tax audit if turnover is below Rs. 1 crore or is incurring a loss?**

Ans: No A company or LLP is not required to get its books of accounts audited if turnover does not exceed Rs. 1 crore even if the company is declaring loss.

**2. An individual who is having first year of business and is incurring loss is required to get his books of accounts audited under section 44AB?**

Ans: If the turnover is below the limit of Rs. 1/ 10 crore and if he has never opted for section 44AD then he is not required to get his books of accounts audited under section 44AB.

**3. Can a person get his books of accounts audited voluntarily even if his turnover is below the limit?**

Ans: As of now there is no provision under Income tax Act wherein a person can get its books of accounts audited voluntarily however still they can get their books of accounts checked (audited) by a Chartered Accountant without filing Form 3CD.

**4. A person doing intra day trading or F&O in stock market and incurring loss needs to get its books of accounts audited under Income tax act to carry forward such losses?**

Ans: If a person is having turnover below the limits mentioned under section 44AB(1) i.e. 1/ 10 crore and has not opted for benefits of provision under section 44AD in previous year then that person is not required to get books of accounts audited to carry forward loss.

## NEW TIE-UPS FOR MEMBERS BY JAIPUR BRANCH JULY 2022

**Diagnostics Labs**

**Dr. B. Lal Clinical Laboratory Pvt. Ltd  
Malviya Nagar**

**Physiotherapist**

**BTN Physio & Diagnostic HUB, Malviya Nagar**

**Garments**

**Lirose, Bias Godown**

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# FAQs on Section 44AD



CA Girraj Khandelwal

## 1. What is section 44AD?

**Answer.** Computation of income on estimated basis in the case of taxpayers [being a resident individual, resident Hindu undivided family (HUF) or resident partnership firm (not being a limited liability Partnership firm)] engaged in certain business subject to certain conditions.

## 2. Who is eligible to take advantage of the presumptive taxation scheme of section 44AD?

**Answer.** The presumptive taxation scheme of section 44AD can be adopted by following persons:

- i) Resident Individual (Section 6(1), 6(1A))
- ii) Resident Hindu Undivided Family (Section 6(2))
- iii) Resident Partnership Firm (not Limited Liability Partnership Firm) (Section 6(2))

In other words, the scheme cannot be adopted by a non-resident and by any person other than an individual, a HUF or a partnership firm (not Limited Liability Partnership Firm).

Further, this Scheme cannot be adopted by a person who has made any claim towards deductions under following sections:

- i) 10A (Special provision in respect of newly established undertakings in free trade zone, etc.)
- ii) 10AA (Special provisions in respect of newly established Units in Special Economic Zones.)
- iii) 10B (Special provisions in respect of newly established hundred per cent export-oriented undertakings.)
- iv) 10BA (Special provisions in respect of export of certain articles or things.)
- v) or under sections 80HH to 80RRB in the relevant year.

## 3. Which businesses are not eligible for presumptive taxation scheme of section 44AD?

**Answer.** The scheme of section 44AD is designed to give relief to small taxpayers engaged in any business, except the following businesses:

- i) Business of plying, hiring or leasing goods carriages referred to in sections 44AE.

- ii) A person who is carrying on any agency business.
- iii) A person who is earning income in the nature of commission or brokerage
- iv) Any business whose total turnover or gross receipts exceeds two crore rupees.

Apart from above discussed businesses, a person carrying on profession as referred to in section 44AA(1) is not eligible for presumptive taxation scheme under section 44AD.

## 4. Can an insurance agent adopt the presumptive taxation scheme of section 44AD?

**Answer. NO,** a person who is earning income in the nature of commission or brokerage cannot adopt the presumptive taxation scheme of section 44AD. Insurance agents earn income by way of commission and, hence, they cannot adopt the presumptive taxation scheme of section 44AD.

## 5. Can a person engaged in a profession as prescribed under section 44AA(1) adopt the presumptive taxation scheme of section 44AD?

**Answer. NO,** a person who is engaged in any profession as prescribed under section 44AA(1) cannot adopt the presumptive taxation scheme of section 44AD.

However, he can opt for presumptive taxation scheme under section 44ADA and declare 50% of gross receipts of profession as his presumptive income. Presumptive Scheme under section 44ADA is applicable only for resident assessee whose total gross receipts of profession do not exceed fifty lakh rupees.

## 6. Can a person whose total turnover or gross receipts for the year exceed Rs. 2 crores adopt the presumptive taxation scheme of section 44AD?

**Answer. NO,** the presumptive taxation scheme of section 44AD can be opted by the eligible persons if the total turnover or gross receipts from the business do not exceed the limit prescribed under section 44AB (i.e., Rs. 2crore). In other words, if the total turnover or gross receipt of the business exceeds Rs. 2 crores then the scheme of section 44AD cannot be adopted.



# FAQs on Section 44AD

## 7. What is the manner of computation of taxable business income in case of a person adopting the presumptive taxation scheme of section 44AD?

**Answer.** In case of a person adopting the provisions of section 44AD, income will be computed on presumptive basis, i.e., @ 8% of the turnover or gross receipts of the eligible business for the year.

Income shall be calculated at rate of 6% in respect of total turnover or gross receipts which is received by an account payee cheque or draft or use of electronic clearing system or through such other electronic mode as may be prescribed.

In other words, in case of a person adopting the provisions of section 44AD, income will not be computed in normal manner but will be computed @ 8%/6% of the turnover.

Income at higher rate, i.e., higher than 8%/6% can be declared if the actual income is higher than 8%/6%.

## 8. As per the presumptive taxation scheme of section 44AD, income of a taxpayer will be computed @ 8%/6% of the turnover or gross receipt and from such income can the taxpayer claim any further deductions?

**Answer.** Under the normal provisions of the Income-tax Law, taxable business income will be computed after allowing deduction in respect of expenses which are deductible as per the Income-tax Act and after disallowing expenses which are not deductible as per the Income-tax Act.

In case of a person who is opting for the presumptive taxation scheme of section 44AD, the provisions of allowance/disallowances as provided under the Income-tax Law will not apply and income computed at the presumptive rate of 8%/6% will be the final taxable income of the business covered under the presumptive taxation scheme and no further expenses will be allowed or disallowed. However, the assessee can claim deduction under chapter VI-A.

While computing income as per the provisions of section 44AD, separate deduction on account of depreciation is not available, however, the written down value of any asset used in such business shall be calculated as if depreciation as per section 32 is claimed and has been actually allowed.

## 9. If a person adopts the presumptive taxation scheme of section 44AD, then is he required to maintain books of account as per section 44AA?

**Answer.** NO, section 44AA deals with provisions relating to maintenance of books of account by a person engaged in business/profession. Thus, a person engaged in

business/profession has to maintain books of account of his business/profession according to the provisions of section 44AA.

In case of a person engaged in a business and opting for the presumptive taxation scheme of section 44AD, the provisions of section 44AA relating to maintenance of books of account will not apply. In other words, if a person adopts the provisions of section 44AD and declares income @ 8%/6% of the turnover, then he is not required to maintain the books of account as provided under section 44AA in respect of business covered under the presumptive taxation scheme of section 44AD.

## 10. If a person adopts the presumptive taxation scheme of section 44AD, then is he liable to pay advance tax in respect of income from business covered under section 44AD?

**Answer.** YES, any person opting for the presumptive taxation scheme under section 44AD is liable to pay whole amount of advance tax on or before 15<sup>th</sup> March of the previous year. If he fails to pay the advance tax by 15<sup>th</sup> march of previous year, he shall be liable to pay interest as per section 234B and section 234C.

Note: Any amount paid by way of advance tax on or before 31<sup>st</sup> day of March shall also be treated as advance tax paid during the financial year ending on that day.

## 11. If a person adopts the presumptive taxation scheme but he opts out from the scheme in any of the subsequent five years, then what are the consequences?

**Answer.** If a person opts for presumptive taxation scheme, then he is also required to follow the same scheme for next 5 years. If he failed to do so, then presumptive taxation scheme will not be available for him for next 5 years. [For example, an assessee claims to be taxed on presumptive basis under Section 44AD for AY 2020-21, for AY 2021-22 and 2022-23 also he offers income on basis of presumptive taxation scheme. However, for AY 2023-24, he did not opt for presumptive taxation Scheme. In this case, he will not be eligible to claim benefit of presumptive taxation scheme for next five AYs, i.e., from AY 2024-25 to 2028-29.]

He is required to keep and maintain books of account and he is also liable for tax audit as per section 44AB from the AY in which he opts out from the presumptive taxation scheme. [If his total income exceeds maximum amount not chargeable to tax]



# UNDERSTANDING THE JUMBLE OF TAX SYSTEM



**CA Nishant Sharma**

An efficient tax collection system is the backbone of any country. Majority of the revenue generation by the government is through collection of taxes. However sometimes to generate more revenues or in the process to simplify the tax process, the tax system gets much more complicated that they are not understandable to a common man. Even the genius scientist Mr. Albert Einstein once said "The hardest thing to understand in the world is the income tax." Let's understand the complications of prevailing taxes with the help of an example.

One fine day, a chef posted the recipe of laddu. Everyone was asked to follow the recipe and prepare the laddus by following the instructions given in the recipe. People slowly learnt the process and started making laddus properly. Everyone was quite happy as they could make the laddus properly.

After sometime, the chef overwhelmed with the response, decided to amend the recipe in accordance with the present scenario and requirements. Thus, the amendments in recipe started happening year after year basis and the people were asked to follow the great old recipe with the yearly amendments in it. People got confused as now they had to take care of main recipe and many such amendments for each and every year, But, somehow with the course of time, they managed to amend the process of making laddus as per revised recipe on yearly basis.

The chef then informed that everyone has to follow the recipe no matter who the chef could be. Now the chef kept changing and so the recipes. Sometimes few amendments and sometimes more, but the aim was same to make 'laddus'.

After lapse of few more years, the chef started releasing the amendments in the recipe on weekly or monthly basis multiple times as per the

requirements during the year in the form of notifications and circulars. Now he started asking again to follow the old recipe along with the amendments done on yearly basis and weekly or monthly amendments as well since beginning. Simple recipe was taking the shape of big book to follow.

To maintain the uniformity in taste, size, quality and other points, a set of rules were also issued which were also amended as per requirement as and when required. Now people had to follow the complete recipe book with amendments and the rules books as well, with amendments made from time to time.

Few people felt so much aggrieved with the on-going situation that they went to the court of law and got certain issues resolved there. So now the chef informed people that now onwards the old recipe along with all yearly amendments, weekly / monthly amendments, basic rules their amendments and applicable court case laws would also be considered to make laddus.

People were still making laddus, some of them could make and many of them could not. Thinking people were not following it intentionally, the chef-imposed lot of penalties as according to him the laddus could not be made of proper quality by following all the prescribed recipe and rules.

Now the chef played another trick. He and provided recipe of other sweets also with same yearly, weekly / monthly amendments in it and the rule book to follow. People were asked to follow the recipe and prepare these sweets as well and yes were required to read the recipe of these sweets while making laddus and vice versa wherever required.

So, at the end, what you are left with is the jumble of recipes. Just keep on trying and make laddus if you can.

# ACTIVITIES BY JAIPUR BRANCH

22 Days CA Day Celebration- 2022 (10.06.2022 to 01.07.2022)

CHARTERED ACCOUNTANTS DAY CELEBRATION



Date : 1-7-2022

Flag Hoisting, Blood Donation, Vaccination Camp  
Free Health & Medical Check Up Camp, Art Exhibition



# ACTIVITIES BY JAIPUR BRANCH

## NATIONAL CONFERENCE FOR CA STUDENTS

"अभ्युदय-Lighting The Future Beyond All Limits"



**Date :** 9-7-2022 & 10-7-2022 **Organized By :** SSEB, Board of Studies-(Operations), ICAI

**Chief Guest :** Dr. Ravi Kumar Surpur, Chief Commissioner State Tax, Rajasthan

**Guest of Honour :** CA. Sushil Kumar Goyal, Chairman, SSEB, BOS-(Operations), ICAI

**Speakers :** CA. Avinash Gupta, Delhi, CA. Jay Chhaira, Surat, CA. Aseem Trivedi, Indore, CA. Anil Singhvi, Managing Editor Zee Business, CA. O P Kasera, IAS, CA. Mohit Garg, IRS, Dy. Comm. of Income Tax, CA. Mohit Jangid, IRS, Dy. Commissioner GST & Customs, Mumbai, CA. Aanchal Kapoor, Chandigarh, CA. M P Vijay Kumar, Chennai, CA. Veni Thapar

**Venue:** Birla Auditorium



# ACTIVITIES BY JAIPUR BRANCH

VISIT OF JAIPUR BRANCH BY DR. SATISH POONIA  
PRESIDENT OF RAJASTHAN BJP & MLA- AMER, JAIPUR



Date : 14-7-2022

VISIT OF JAIPUR BRANCH BY CA. KISHORE HEMRAJ BARDIA  
VICE-CHAIRMAN, CIRC



Date : 16-7-2022



# ACTIVITIES BY JAIPUR BRANCH

VISIT OF JAIPUR BRANCH BY SHRI MUKESH CHOUDHARY  
COMMISSIONER, FIRE DEPARTMENT, JAIPUR GREATER



Date : 19-7-2022

## ICAI VACCINATION CAMP



Date : 23-7-2022 Venue : ICAI Bhawan

# ACTIVITIES BY JAIPUR BRANCH

PROGRAM ON OUTCOME OF 47<sup>TH</sup> GST COUNCIL MEETING



Date : 23-7-2022 Speaker : CA. Yash Dhadha

VISIT OF JAIPUR BRANCH BY CA POOJA RATHI  
SECRETARY, JODHPUR BRANCH



Date : 25-7-2022



# Jaipur Branch

## #ICAI\_in\_news



## प्रोफेशन की गरिमा रखते हुए परिवर्तनों पर जागरूक रहें रक्तदान और वैक्सीनशन प्रोग्राम के साथ संपन्न हुआ 22 दिन का सीए डे सेलिब्रेशन कार्यक्रम

बेहड़क। जयपुर

भारतीय सीए संस्थान की जयपुर शाखा द्वारा 74वें सीए दिवस पर आयोजित की गई कार्यक्रमों की 22 दिन की श्रृंखला रक्तदान एवं वैक्सीनशन प्रोग्राम के साथ संपन्न हुआ। शाखा परिसर में झंडारोहण हुआ। इस अवसर पर वक्ताओं ने उपस्थित सीए सदस्यों एवं छात्रों को प्रोफेशन की गरिमा को बरकरार रखते हुए अपने आपको भावी परिवर्तनों के बारे में जागरूक रहने का आग्रह किया।



कार्यक्रम में मुख्य अतिथि टी. टोनसिंग प्रसाद, प्रिंसिपल चीफ कमिशनर इनकम टैक्स राजस्थान, सेंट्रल काउंसिल मेंबर सीए प्रकाश शर्मा और सीए रोहित रुवाटिया अग्रवाल, रीजनल काउंसिल मेंबर सीए अनिल कुमार यादव और सीए आकाश बड़गोती, जयपुर शाखा के कमेटी मेंबर सीए कुलदीप गुप्ता, सीए अखिल भाला, सीए रुचि गुप्ता, सीए अंकुर कुमार गुप्ता, सीए यश गुप्ता, सीए विष्णु अग्रवाल, सीए विकास यादव,

सीए विजय कुमार अग्रवाल, सीए नवीन शर्मा और 150 चार्टर्ड एकाउंटेंट्स सदस्य और सीए छात्र उपस्थित थे। जयपुर शाखा के अध्यक्ष सीए कुलदीप गुप्ता ने संस्थान की गतिविधियों के बारे में विस्तार से बताया। जयपुर शाखा सचिव सीए रुचि गुप्ता ने धन्यवाद ज्ञापित किया। शिविर में जयपुर के नामी ब्लड बैंक के सहयोग से ब्लड एकत्र किया गया। इसी कड़ी में निःशुल्क हेल्थ चेक-अप कैंप का भी आयोजन किया गया।

## सीए छात्र तकनीकी पक्ष भी करें मजबूत

प्रिंसिपल रिपोर्टर

जयपुर, भारतीय सीए संस्थान के बोर्ड ऑफ स्टडीज ऑपरेशन और जयपुर शाखा के तत्वाधान से दो दिवसीय सीए स्टूडेंट नेशनल कॉन्फ्रेंस अयुधदय का रविवार को समापन हो गया।



सीए आइएस ओपी कमेटी, आइएसएम प्रुल कच्छवाल, आइएसएम मोहित गुप्त, मेहिल जोगिता भी मौजूद रहे। कार्यक्रम में सेंट्रल काउंसिल मेंबर रहे सीए एमपी विजयकुमार ने अंतरराष्ट्रीय स्तर पर अकाउंटिंग के परिवर्तन की जानकारी दी। सीए अनिल मिश्रा ने स्वयं को कैसे निवेश करें जैसे विषय पर मोटिवेशनल व्याख्यान दिया। जयपुर सीए शाखा के अध्यक्ष सीए कुलदीप गुप्ता, सीए रुचि गुप्ता

एवं सीएसएस अध्यक्ष सीए नरत गुप्ता ने इस तरह की कॉन्फ्रेंस छात्र हित में बताते हुए हर साल आयोजित करने की आवश्यकता बताई। कार्यक्रम में 2100 से अधिक सीए छात्र शामिल हुए।

## 5जी का फायदा सीए प्रोफेशनल को भी मिलेगा, डिजिटल एसेट को सुरक्षित रखने में होंगे सफल

मिडो रिपोर्टर, जयपुर

देश की नवीन ब्लॉक दुनियाभर में डिजिटल एसेट यानी डिजिटल कॉपी की है। 1 अप्रैल 2022 से पहले तक देशभर में डिजिटल एसेट पर कोई प्रोफेशनल नहीं था। इन पावरफुल के अनुसार किसी के डिजिटल एसेट, डिजिटल या डिजिटल में डील करने, खरीदने, बेचने या एम्बरेशन करने पर जरूरत के बिना पर 30% का टैक्स लगाने का फैसला किया गया। यह कदम था सीए अधिनियम गुप्त का।



इनकम टैक्स के नए नियमों की जानकारी जुटा लें



कैपिटी से बदलायी टेक्नोलॉजी और अपने कुछ सदस्यों में अपने नवीन 5जी टेक्नोलॉजी से सीए प्रोफेशनल को सफल बनाने की बात समझने वाली। इनकम टैक्स का नया नियम सीए प्रोफेशनल को सुरक्षित रखने की जानकारी केवल सीए प्रोफेशनल ही के पास होगी। ऐसे में सीए प्रोफेशनल को सुरक्षित रखने पर सीए प्रोफेशनल गुप्ता ने कहा, हालांकि इनकम टैक्स नियमों में हुए बदलावों की जानकारी जुटा लें।



साइबर फ्रॉड पकड़ने में सीए सहायक

## सीए मेंबर्स ने बताई 5जी टेक्नोलॉजी



बेहड़क, जयपुर। भारतीय सीए संस्थान के बोर्ड ऑफ स्टडीज ऑपरेशन और जयपुर शाखा की ओर से दो दिवसीय सीए स्टूडेंट्स नेशनल कॉन्फ्रेंस अयुधदय का समापन रविवार को हुआ। प्रोग्राम डायरेक्टर सेंट्रल काउंसिल मेंबर सीए प्रकाश वर्मा ने 5 जी टेक्नोलॉजी पर बोलते हुए कहा कि बहुत जरूरी हो गया है कि तकनीकी रूप से स्वयं को सक्षम करें। मैं सीए रोहित रुवाटिया अग्रवाल ने बताया कि कॉन्फ्रेंस में चैट्रई से आ सेंट्रल काउंसिल मेंबर व अकाउंटिंग स्टैंडर्ड के एक्सपर्ट सीए एम पी विजय कुमार ने इंटरनेशनल स्तर पर अकाउंटिंग के परिवर्तन की जानकारी दी जयपुर ब्रांच अध्यक्ष सीए कुलदीप गुप्ता व सीकासा अध्यक्ष सीए य गुप्ता, सीए अनिल सिंघवी ने स्वयं को कैसे निवेश करें की जानकारी दी

## अभ्युदय में 'लाइटिंग द फ्यूचर' थीम पर होगी सीए कॉन्फ्रेंस

सिटी रिपोर्टर, जयपुर

शनिवार से सीए स्टूडेंट के लिए दो दिवसीय नेशनल कॉन्फ्रेंस का आयोजन होने जा रहा है। जो बोर्ड ऑफ स्टडीज, आईसीआई

के तत्वाधान से बिड़ला ऑडिटोरियम जयपुर में आयोजित होगा। सेंट्रल काउंसिल मेंबर सीए रोहित रुवाटिया ने यह बताया कि बोर्ड ऑफ स्टडीज और जयपुर शाखा द्वारा दो दिवसीय सीए स्टूडेंट नेशनल

कॉन्फ्रेंस 'अभ्युदय' की थीम 'लाइटिंग द फ्यूचर बियॉन्ड ऑल लिमिट्स होगी। इस कॉन्फ्रेंस में 4 तकनीकी सत्र व 4 विशेष सत्र रखे गए हैं। इस कार्यक्रम में देश के जाने माने एक्सपर्ट सीए वक्ता होंगे।

## प्रोफेशनल और पर्सनल जीवन सफल बनाने के बताए गए



## सीए छात्रों का दो दिवसीय राष्ट्रीय सम्मेलन शुरू

देश के 2100 से ज्यादा छात्र लगे रहे हैं हिस्सा



## सीए संस्थान के वैक्सीनेशन कैंप में 300 के लगे टीके



बेहड़क, जयपुर। भारतीय सीए संस्थान में मेगा कोविड-19 फ्री वैक्सीनेशन कैंप का आयोजन किया गया। कैंप में 18 वर्ष से ज्यादा उम्र के लोगों को वैक्सीन लगाया गया। सीए कुलदीप गुप्ता व सीए रुचि गुप्ता ने कैंप में 300 से ज्यादा लोगों को कोविडशील्ड और कोवैक्सीन के पहले, दूसरे और प्रिकॉशन डोज लगाए गए। कैंप में सीए स्टूडेंट्स और उनके परिजनो ने भी हिस्सा लिया।

## सीए विशेषज्ञ बिड़ला ऑडिटोरियम में देंगे सीए छात्रों को सफलता का मंत्र

आईसीआईआई के राष्ट्रीय उपाध्यक्ष सीए अनिल तटारी छात्रों को देंगे प्रेरणा

जयपुर, 18 अक्टूबर (आईसीआईआई) भारतीय सीए संस्थान के बोर्ड ऑफ स्टडीज ऑपरेशन और जयपुर शाखा के तत्वाधान से दो दिवसीय सीए स्टूडेंट्स नेशनल कॉन्फ्रेंस अयुधदय का समापन रविवार को हुआ। प्रोग्राम डायरेक्टर सेंट्रल काउंसिल मेंबर सीए प्रकाश वर्मा ने 5 जी टेक्नोलॉजी पर बोलते हुए कहा कि बहुत जरूरी हो गया है कि तकनीकी रूप से स्वयं को सक्षम करें। मैं सीए रोहित रुवाटिया अग्रवाल ने बताया कि कॉन्फ्रेंस में चैट्रई से आ सेंट्रल काउंसिल मेंबर व अकाउंटिंग स्टैंडर्ड के एक्सपर्ट सीए एम पी विजय कुमार ने इंटरनेशनल स्तर पर अकाउंटिंग के परिवर्तन की जानकारी दी जयपुर ब्रांच अध्यक्ष सीए कुलदीप गुप्ता व सीकासा अध्यक्ष सीए य गुप्ता, सीए अनिल सिंघवी ने स्वयं को कैसे निवेश करें की जानकारी दी