

**Recent vexed issues on
Income Tax**

&

**Importance of maintaining
statutory records for
Dermatologists**

Recent vexed issues on Income Tax

- ✓ Section 44 ADA. Receipts below 50 lakhs – pay 50%...
- ✓ 50% is minimum income that you need to disclose or else get the accounts audited.
- ✓ It is not a concession – Pay tax on 50% of gross receipts.
- ✓ It is a minimum tax, that must be paid.
Measure to collect adhoc taxes.

Recent vexed issues on Income Tax

Hazards of 44ADA, if not used in an appropriate manner.

- ✓ Proposition in the interest of department & not assessee.
- ✓ Assets can be treated as unexplained if beyond the aggregation of disclosed income.
- ✓ Not maintaining books of accounts can derail the asset creation & disclosure process.

Recent vexed issues on Income Tax

Payment in cash

- ✓ U/s 40 A (3) any expenses in cash above Rs. 10,000/= shall not be allowed as a deduction.
- ✓ Cash payment of Capital Expenses above Rs. 10,000/= shall not be considered as a part of actual cost of asset U/s 43(1).
- ✓ Payment for purchase of any immovable property cannot be made by cash in excess of Rs. 20,000/=. (Sec 269T). Provision for 100% penalty.

Recent vexed issues on Income Tax

Payment in cash

Immovable property

- ✓ 269ST. No person shall receive an amount of two lakh rupees or more—
- in aggregate from a person in a day; or
 - in respect of a single transaction; or
 - in respect of transactions relating to one event or occasion from a person, otherwise than by an account payee cheque or an account payee bank draft or use of electronic clearing system through a bank account:

Penalty U/s 271 DA equivalent to amount received.

Recent vexed issues on Income Tax

Capital gain Calculations

- ✓ Shifting of base year from 1981 to 2001 for computation of Capital Gain.
- ✓ Gain on immovable property held for 24 months shall qualify for long term capital gain.

New penal provisions

- ✓ Delay in filing of returns.

Fees for delay in filing of returns

Till 31st Dec. Rs. 5,000/=

31st Mar. Rs. 10,000/=

Income below Rs. 5 lakh Rs. 1,000/=.

- ✓ Penalty for violation of Sec. 68. Special rate of 77.25% + Penalty.

New penal provisions

Provision of Sec 68 of Income Tax Act needs to be considered

Section 68 of Income Tax Act

“under any sum of fund is credited in the books of an assessee maintained for any previous year and the assessee offers no explanation about the nature and source thereof or the explanation offered by him is not in opinion of the Assessing officer satisfactory the sum so credited may be charged to income tax as the income of the assessee of that pervious year.”

New penal provisions

How to comply with Section 68 of the Income Tax in assets received in succession ?

- ✓ Identity of the person from whom credit received.
- ✓ Credit worthiness.
- ✓ Genuineness of transaction.

Statutory reasons

**Compliance of provisions of
Sec 44AA read with Rule 6F
of Income Tax Act**

Importance of maintaining statutory records for dermatologists

For personal reasons

- ✓ What do I actually earn?
- ✓ What do I actually spend?
- ✓ How do I limit my expenses?
- ✓ How do I increase my income?
- ✓ Warranty / Guarantee Claims.
- ✓ Show financial capacity.

For MIS (Management Information System)

Businesses or Professional setups use a lot of information in Business Development & managing the business / professional in a better way.

For smooth passing over to the heirs

Assets & Liabilities properly recorded in the books of accounts will make transmission seamless.

Records not to be maintained 😊

- ✓ Principle of conclusive evidence.
- ✓ Principle of circumstantial evidence.

These are the principles for conviction under any law.

Importance of maintaining statutory records for dermatologists

Key to respond to Search, Seizure & Investigation

- ✓ Assets disclosed in the statutory records cannot be seized.
- ✓ Helpful in any investigations for any department.

Home work...

- ✓ Are all my assets like Financial Assets (Shares, Mutual Funds, Bonds etc) exactly as per statements?
- ✓ Are my Gold Ornaments & Jewellery as per valuation report?
- ✓ Are all the immovable properties properly recorded?
- ✓ Are all my liabilities like loans etc. properly recorded?

Message in these lines

छोडो कल की बाते
कल की बात पुरानी...
नए दौर में लिखेंगे
मिलकर नयी कहानी...
हम हिंदुस्तानी...

Thanks...



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