

## ***Audit if sales above Rs 40 lakh***

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**Que 1:** I am a Sole proprietor having two businesses, one of woolen garments and other of Cosmetics. During the financial year ending on 31.03.2006 my sales from the woolen garments was Rs. 45 lacs and sale from the cosmetics was Rs. 25 lacs . Please guide me whether I have to get tax audit done and if yes then should I get it done for only woolen business or both business?

**PAWAN KUMAR SHARMA**

**Ans1:** As per section 44AB of the income tax act, tax audit is to be got done in case where aggregate sales exceeds Rs 40 lakhs during the financial year. While computing the limit of Rs. 40 lakhs the aggregate sales , turnover or gross receipts of all businesses carried on by the assessee under one status, altogether, has to be taken into consideration Therefore you are required to get the tax audit done and audit of both businesses will have to be got done.

**Que2:** I am a partner in a firm . The gross receipts of my firm exceeds Rs. 40 lakhs during the year ending on 31.03.2006 . Please tell the due date of filing my personal return as well as the firm's return ?

**ASHOK SAXENA**

**Ans2:** In case of firms whose accounts are required to be audited under the income tax act or any other law the due date for filing income tax return will be 31<sup>st</sup> October; both for the firm as well as the working partners.

**Que3:** I am running a small business enterprise in partnership with my brother and file my return under section 44AE whereby I am not required to maintain books of accounts.I would like to know ,if Fringe Benefit Tax has to paid by me?

**MEENAKSHI**

**Ans :** Fringe benefit tax is applicable even to business concerns whose income is calculated on presumptive basis, the only problem being : how to calculate FBT in the absence of books of accounts. Here I wish to inform you that the department is of the opinion that since books of accounts will have to be maintained for VAT purposes and that can be a basis for calculating FBT too. Tread with caution.

**Que 4:** My wife has incurred losses on shares to the tune of Rs. 1 lakh for the year ending 31.03.2005. She has no other income. During the year ending 31.03.2006 she earned Rs. 2.5 lakhs as profit from shares.I have been told by someone that her losses of the previous year can be adjusted against this year's profit . Please clarify?

**NEERAJ GUPTA**

**Ans:** In order to carry forward and set off the losses of the previous year (under prescribed/allowed heads) a loss return has to be filed within prescribed time. Assuming that your wife must have filed a loss return for the year ending 31.03.2005,she will be allowed to set off the loss of Rs.1 lac suffered last year against her income of Rs.2.5 lacs in the financial year 2005-06

**Que5: When are the Educational institutions required to file the return of income?**

**SUNIL KUMAR**

**Ans:** Every Educational institution, if the total income in respect to which it is assessable without giving effect to the provisions of section 10 exceeds the maximum amount which is not chargeable to income tax shall furnish a return of income of the previous year in prescribed form.

**Note :** This is irrespective of the amount of annual receipts of the institutions.

In case of non auditable situation the return should be filed on or before 31<sup>st</sup> July and in auditable case return should be filed on or before 31<sup>st</sup> October.