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Computation of turnover w.r.t sec. 44ab

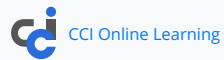
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CA Apoorva Gaurav (CA) 28 December 2014

Will the O/Put tax billed and recovered from customer will form part of turnover for calculation of 100 Lakhs w.r.t Sec. 44ab.

Let suppose in a case where basic sales amount to 90 Lakhs and it totals to 110Lakhs after adding VAT will the assessee be required to get audited u/s 44ab??



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Jaikishan (CA) 28 December 2014

Sales Tax, VAT or excise duties collected should not be taken into account for turnover if they are credited separately to sales tax, VAT or excise duty account.

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••• [CA Apoorva Gaurav](#) (CA) [🕒 28 December 2014](#)

But sir, as guidance note is not mandaory on the entity.

And, sec 145 evidently states that Purchase and sale of goods be valued inclusive of tax.

So, shouldn't there be a close refrence drawn from the act itself rather than guidance note.



••• [Aamir](#) (Article Assistant) [🕒 29 December 2014](#)

Turnover Exclusive of tax to be considered as o'er Guidance Note and Section 44AB. Bciz wgen you fill ITR 4 P&L A/c Sakes Net if Taxes to be filled and considered for Turnover Kimit u/s 44AB.



••• [Raj C Doshi](#) (Practising CA) [🕒 29 December 2014](#)

Nice logic aamir sir. So its exclusive of sakes tax, excise etc.



••• [Chandan Kumar Gupta](#) (STUDENT) [🕒 29 December 2014](#)

Vat, Service tax, excise duty, custom duty etc. are to be form part of turnover. For example, if service tax is directly credit ed under current liabilities then you have to add it to your sales amount. If you have routed it through profit and loss ac count then it will already be included in sales.



••• [MOHIT JASUJA](#) (Student CA Final) [🕒 29 December 2014](#)

All indirect taxes will form part of sales and if including taxes sales will be above from rs 100 lakhs then it will be liable fo r tax audit u/s 44 ab



••• [CA Apoorva Gaurav](#) (CA) [🕒 29 December 2014](#)

Originally posted by : [Aamir](#)

“ Turnover Exclusive of tax to be considered as o'er Guidance Note and Section 44AB. Bciz wgen you fill ITR 4 P&L A/c Sakes Net if Taxes to be filled and considered for Turnover Kimit u/s 44AB. ”

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Dear aamir though I second your views.

But, format of ITR can't be used for interpretation of law.

ITR forms are designed for administrative convenience and increased clarity secondly, If we go by your logic in that case why do we add Indirect taxes for sec. 44ad.

So in my opinion you might be correct but this can't be an explanation to it.



••• [CA Apoorva Gaurav](#) (CA) [🕒 29 December 2014](#)

We are still getting varied responses couldn't form a conclusion. 📄sad



••• [CA Apoorva Gaurav](#) (CA) [🕒 29 December 2014](#)

Chandan & Mohit sir though I am getting this very answer from most of the CAs but none of them is substantiating this view with any legal base.

So, could you please tell me the legal basis for your opinions plz.



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