# Article information:

Can you freely invest and use the 50% you declare as expense under 44ADA(even though it is not)? An analysis. : r/IndiaInvestments  
<https://www.reddit.com/r/IndiaInvestments/comments/164o8r3/can_you_freely_invest_and_use_the_50_you_declare/?rdt=64312>

# Article summary:

1. Under the 44ADA taxation scheme, professionals can declare their profit as 50% of their revenue and pay taxes accordingly, without having to maintain books of accounts or provide details of expenses.

2. Professionals argue that if their actual profit is higher than the declared profit, they should be able to declare the higher amount. However, case laws have shown that the declared profit is deemed for taxation purposes and professionals are free to invest and spend their entire revenue.

3. The 44ADA scheme is designed to benefit small and medium professionals with revenue up to 75 lakhs, and it does not impose extra hardship on them.

# Article rating:

Appears strongly imbalanced: The article is written in a biased or one-sided way, and the information it provides is not trustworthy enough to be considered a reliable source. You should consult other sources to find reliable information on the presented issues.

# Article analysis:

The article titled "Can you freely invest and use the 50% you declare as expense under 44ADA (even though it is not)? An analysis" discusses the taxation scheme known as 44ADA in India. The author argues that professionals who fall under this scheme can declare their profit to be 50% of their revenue and pay taxes accordingly, without having to maintain books of accounts or provide details about their expenses. The article also mentions two case laws that support the idea that individuals are free to invest and spend their entire revenue.

Upon analyzing the article, several potential biases and issues can be identified:

1. One-sided reporting: The article primarily presents arguments in favor of freely investing and using the declared profit. It does not explore counterarguments or potential risks associated with this approach. This one-sided reporting may lead readers to form an incomplete understanding of the topic.

2. Unsupported claims: The author claims that professionals can freely invest and spend their entire revenue based on the two mentioned case laws. However, no evidence or further explanation is provided to support this claim. Without additional information, it is difficult to determine if these case laws are applicable to all situations.

3. Missing points of consideration: The article fails to address certain important considerations related to taxation schemes like 44ADA. For example, it does not discuss potential consequences if individuals are audited by tax authorities or if their expenses are deemed personal rather than business-related.

4. Missing evidence for claims made: While the article mentions that professionals argue that declaring a higher profit is mandatory if actual profit is higher, no evidence or sources are provided to support this argument. Without supporting evidence, it is challenging to evaluate the validity of this claim.

5. Promotional content: The tone of the article suggests a promotion of the benefits of declaring a lower profit under 44ADA without adequately addressing potential risks or drawbacks associated with this approach. This promotional tone may influence readers' perceptions and decisions without providing a balanced view.

6. Partiality: The article implies that the government is inducing extra hardship for small and medium professionals by implementing schemes like 44ADA. However, this claim lacks evidence or analysis to support it, potentially indicating a biased perspective against government policies.

In conclusion, the article presents a one-sided analysis of the taxation scheme 44ADA in India. It fails to provide sufficient evidence, explore counterarguments, address potential risks, or present both sides of the argument equally. The article's promotional tone and potential biases may lead readers to form an incomplete understanding of the topic.

# Topics for further research:

* Potential risks and consequences of declaring a higher profit under 44ADA in India
* Audit process and implications for professionals under the 44ADA taxation scheme
* Differences between personal and business expenses under 44ADA in India
* Case laws and legal precedents related to declaring profit under 44ADA
* Criticisms and drawbacks of the 44ADA taxation scheme for small and medium professionals
* Government policies and intentions behind implementing schemes like 44ADA in India

# Report location:

<https://www.fullpicture.app/item/c49b6073678bf3c226c29dd8e373af9b>