LUCKNOW CHARTERED ACCOUNTANTS CLUB

# Budget 2009-10

## Direct Tax Changes plus Ready Reckoner

## CONTENTS

## MESSAGE FROM THE PRESIDENT

Dated: 8th July 2009

Dear Friends,

I am very pleased to launch the Budget Publication:2009-10 of Lucknow Chartered Accountants Club (LCAC). This is our second publication which aims at disseminating the proposed amendments in Direct Taxes to our valued colleagues and especially to public at large for a better understanding and practical application.

It's heartening to note that despite the global recession, we have GDP growth rate of 7.1 % which makes it second fastest growing economy in the World. The Budget aims to peg this rate at 9%. As stated by the Finance Minister the Union Budget is only one of the instruments to solve the problems, we hope to see more steps to set things right and lead the economy back to the high GDP growth rate of 9 per cent p.a.

Apart from our effort on summarizing changes in the direct taxation, we have tried to incorporate few useful information of day to day use to help save your valuable time.

If you have any query or would like a copy of this booklet, either call us, or you may write to this office at:

**Lucknow Chartered Accountants Club**
15 Chandganj Garden
Lucknow-226024
Tel# 9415464475, 9839874068
email: lc_ac@yahoo.com

I also take this opportunity, to acknowledge contributions of all the LCAC Members in devoting their time and energy for making this publication a success.

Thank you for your attention.

**President**
**Lucknow Chartered Accountants Club**

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## ABOUT LUCKNOW CHARTERED ACCOUNTANTS

Lucknow Chartered Accountants Club has been embarked on January 2008 with the objective of promoting the development of knowledge, skills capabilities of the members and public in general and to promote literary, scientific, cultural and social and sporting improvement among members.

In this short period LCAC has already started and successfully operating at Kapoorthala Aliganj, Lucknow a Recreation Centre (RC) to provide sporting facilities for the members.

We are also trying to bring about uniformity in fee structures among CAs. Provisional findings have been published already in this regard. Next step in this regard shall be taken shortly

We are pleased to introduce to you the proud team of Office Bearers of LCAC as under:

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|---|---|---|
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## BUDGET BASICS

**1. What is a Budget ?**

Budget is Estimate of inflows and outflows of the Government during a year. Budget is presented for the ensuing Financial year.

**2. What does Budget consist of?**

Every budget consist of Actual figures for preceding years, Budget and revised figures for the current year, Budget estimates for the following years.

So the Budget presented in Feb 2009 are estimates of Inflows and outflows of the Funds for the period beginning from 1st April 2009 to 31st March 2010

**3. When is Budget presented?**

Budget is to be presented in Lok Sabha on a day as the President directs. By convention, the Budget is presented in Parliament on the last working day of February.

**4. Who draws the timetable for Budget?**

Timetable is drawn by the Business Advisory Committee (BAC) of Parliament. In the schedule drawn up by the BAC, there is a fixed period of discussion for each ministry.

**5. Who has the responsibility for Budget?**

Budget Division in the Finance Ministry has the overall responsibility. It prepares the budget on basis of proposal received from various departments and ministries and the availability of funds. However, final approval is from the Prime Minister.

**6. What if Budget is not approved by 1st April?**

The Constitution empowers Lok Sabha to grant a Vote-on-Account (Article 116) so that the government can continue with the necessary expenditure into the new fiscal, before the Budget proposals actually get passed after necessary discussions. The vote-on-account normally covers the expenditure requirement of the government for two months.

**7. Is it compulsory to have budget for every year?**

Yes. Under Article 112 of the Constitution, a Statement of estimated receipts and expenditure of the Union Government has to be laid before the Parliament in respect of every financial year running from 1st April to 31st March. The Receipt and Payments of the Government is categorised in three parts:

1. Consolidated Fund. : All the inflows like Tax and other Revenues as well as Loans raised by it form part of this category. All outflow including expenses etc also form part of this Account. For withdrawal from this fund parliament authorisation is required.

2. Contingency Fund: It is the money kept at the disposal of the President to meet out any unforeseen expenses.

3. Public Account: This category comprises of money raised from various Schemes of the Government like Provident Fund. But this was the technical framework. To put simply it is Annual financial discipline like other corporates prepare Profit and Loss Account and Balance Sheet. However to what disclosure norms the government accounts are subjected to is mystery. We have seldom come across the laid down norms like other balance sheets to disclose the information in a manner prescribed.

**8. How to understand the Budget Document?**

You need to carefully read the Part - A & Part - B of the Budget Speech of the Finance Minister to understand the proposals. Although going through the Budget speech may not always be foolproof to understand the basic provisions as political compulsion may force the FM to present the glorious aspect of the Budget proposals.

**PART A** of the Budget Speech covers the broad outlays of money for different Sectors. Introduction of new Schemes, Priorities of the Government and focus areas are also indicated in this part. For proper and clear understanding of this Part, it is necessary to refer to Volume -1 and /volume-2 which deals with the entire matter in a very objective and quantitative terms. Here the last year "s Budget data is compared with that of actual (the same is called revised estimates which is usually based on transactions till 31st Dec.)

So Part A of the Speech is more concerned about the Macro aspect of the Economy. This part is of more interest to the economist.

**PART B** deals with Taxation proposals. It has direct bearing over your family finances, which may squeeze or spread due to the proposals. Like last year Budget was quite rewarding to the women, as the FM announced NO tax for women up to Rs.5000 of Tax. But again PART A should be read with Volumes giving the absolute clarity.

PART B should also be read with Finance Act. Finance Act is a document containing Legal provisions. A general reader can grasp the provisions by going through the Memorandum of Explanations attached, which gives the broad background of the new changes etc.

**8. What is the process of Budget approval?**

The Finance Minister introduces the budget in the Lower House of the Parliament or the Lok Sabha & makes a short speech, giving a overall view of the budget.

After the presentation of the Budget, Parliament allots some time for a general discussion on the Budget. The finance minister replies at the end of the general discussion. The reply is also of a general nature and no specifics of the Budget are discussed. However, no motion is moved nor voting required at this stage.

After the finance minister's reply, Lok Sabha takes up for discussion each ministry's expenditure proposals, and is known as demand for grants. The demands for grants presented by each ministry are taken up by the House.

After, the prescribed period for the discussion on demands for grants is over, the Speaker applies the `guillotine', and all the outstanding demands for grants, whether discussed or not, are put to vote at once. Only the Lower House is entitled to vote.

Appropriation Bill is introduced in the Lok Sabha after it has passed all demands for grants relating to all ministries. This is to authorise the government to draw funds from the Consolidated Fund of India. Once this Bill is passed, it becomes the Appropriation Act and is certified as a Money Bill.

After passing of Appropriation Bill, the Finance Bill is introduced and it incorporates all taxation proposals. At this stage, amendments for tax proposal can be moved. After the passing of this Bill, it enters the statute as the Finance Act. Thus the final Budget gets approved.

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## HIGHLIGHTS

### SERVICE TAX

1. **Three more services brought under Service Tax**
   - Transport of coastal goods and goods through National Waterways and Inland Water
   - Cosmetic and plastic surgery service
   - Legal consultancy service.

2. **Changes in present services**
   - Now goods transported by Indian Railways in any form shall be taxable.
   - Non-excisable goods manufactured for or on behalf of the client shall be taxable

3. **Service provided by a sub-broker excluded form the tax.**

4. **Changes in Revision of Order by Commissioner of central Excise (CEC)**

5. **No appeal to CESTAT against order passed by CCE under section 84**

6. Retrospective amendment has been brought wef. May 16, 2008 to replace the term ‘acquiring’ with ‘providing’ in clauses (v) and (vi) which apply for right to use IT software for commercial exploitation/supplied electronically.

7. **Also refer to Notifications issued on 7th July 2009**
   Notification 16/2009
   Notification 17/2009
   Notification 18/2009
   Notification 19/2009
   Notification 20/2009
   Notification 21/2009
   Notification 22/2009
   Notification 23/2009



## FEEDBACK FORM

| |
|---|
| From:<br>Name:<br>Address:<br>Occupation:<br>Contact No.:<br>Email: |
| Feedback: |

Kindly send/ email your feed back to:

**Lucknow Chartered Accountants Club**
15 Chandganj Garden
Lucknow-226024
email: lc_ac@yahoo.com

We thank you for the feed back. Your valuable opinion is our inspiration.



# HIGHLIGHTS

## INCOME TAX & WEALTH TAX

1. Income Tax basic exemption limits increased by Rs. 10000/- each for individuals, HUF, AOP, BOI and Artificial Juridical persons. The new slabs for AY 20010-11 are:

| Individual/HUF | Women | Senior Citizen | Rate |
|---|---|---|---|
| Up to 160000/- | Up to 190000/- | Up to 240000/- | Nil |
| 1.60 to 3.00 lacs | 1.90 to 3.00 lacs | 2.40 to 3.00 lacs | 10% |
| 3.00 to 5.00 lacs | 3.00 to 5.00 lacs | 3.00 to 5.00 lacs | 20% |
| Above 5 lacs | Above 5 lacs | Above 5 lacs | 30% |

2. Surcharge will not be applicable to individuals, HUF, AOP, BOI and Artificial Juridical persons.
3. Any moveable or immoveable property received without adequate consideration to be taxed as income from other sources.
4. Fringe Benefit Tax abolished w.e.f. 01-04-2010
5. Commodity Tranzaction Tax abolished w.e.f. 01-04-2009
6. Taxation of Limited Liability Partnership to be par with other firms.
7. Changes in TDS provisions for Payment to contractors and Rent.
8. Higher rate of TDS (20%) for non PAN cases.
9. Interest on loan for higher education will include all fields including vocational studies.
10. All business with a turnover of less than Rs. 40 lacs can avail presumptive taxation.

11. Limits of payment of salary to partners increased.
12. Deduction for medical treatment of a dependent with a severe physical disability u/s 80DD increased to Rs. 1 lacs.
13. Approval under 80G made one time.
14. Exemption of part of anonymous donation.
15. Minimum Alternate Tax: rate increased to 15% and credit to be allowed for 10 years.
16. Advance Tax limit increased to Rs. 10000/-
17. Rule for service of notice for electronic mail to be framed.
18. Computer generated Identification Number to be allotted in respect of every notice, letter, order or correspondence.
19. Presumptive income rates of truck owners increased.
20. Wealth Tax Limit increased to Rs. 30 lacs.
21. Enhancement of cash expenses limit for transporters.
22. Extension of sunset clause u/s 10A, 10B and 80IA.
23. New Saral Form-2 to be introduced.



## USEFUL LINKS:

1. **Income Tax Web Portal**
   http://www.incometaxindia.gov.in/
2. **Income Tax e-filing Portal**
   http://www.incometaxindiaefiling.gov.in
3. **Know Your PAN**
   http://incometaxindiaefiling.gov.in/knowpan/knowpan.jsp
4. **TDS Challan Status Query**
   https://tin.tin.nsdl.com/oltas/servlet/QueryTaxpayer
5. **Service Tax Web Portal**
   http://www.servicetax.gov.in/
6. **Service Tax e-filing Portal**
   http://sermon.nic.in/sermon/sr1.html
7. **BSR Codes of Banks**
   http://www.tin-nsdl.com/OLTASListOfBSR.asp
8. **e-TDS Downloads**
   http://www.tin-nsdl.com/eTDSOverview.asp
9. **Status of PAN/TAN Application**
   For **NSDL:** https://tin.tin.nsdl.com/tan/StatusTrack.html
   For **UTI :** http://myutitsl.co.in/intra/web/pantrack.jsp
10. **PIN Code Search**
    http://www.indiapost.gov.in/pin/pinsearch.aspx
11. **Forex Exchange Rates/ Currency Convertor**
    http://www.rbi.org.in/scripts/ReferenceRateArchive.aspx
    http://www.xe.com/ucc/
12. **Current updates on Finance/Taxation/Accounting**
    http://finance.groups.yahoo.com/group/Lucknowca_reinvented
13. **Comptroller & Auditor General of India (CAG)**
    http://cag.nic.in/
14. **Securities and Exchange Board of India**
    http://www.sebi.gov.in
15. **Reserve Bank of India**
    http://www.rbi.org.in/home.aspx
16. **Institutes of Chartered Accountants of India**
    http://www.icai.org
17. **Ministry of Companies Affairs**
    http://www.mca.gov.in/

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| Area | PIN | Area | PIN |
|---|---|---|---|
| Rahim Nagar Padiana | 226005 | Shivaji Marg | 226018 |
| Raja Bazar | 226003 | Singar Nagar | 226005 |
| Rajajipuram | 226017 | Sujanpura | 226005 |
| Rajauli | 226026 | Sunderbagh | 226018 |
| Rajendranagar | 226004 | T. Tib | 226003 |
| Ram Sagar Mishra Nagar | 226016 | Thakurganj | 226003 |
| Roberts Line | 226002 | Tirwa | 226005 |
| Saadatganj | 226003 | Topkhana Bazar | 226002 |
| Sadrauna | 226008 | Triveni Nagar | 226020 |
| Sanatan Dharam Vidya Peeth | 226026 | U I C Mill | 226006 |
| Sant Market | 226006 | Ujariaon | 226010 |
| Sarai Mali Khan | 226003 | Utrathia | 226002 |
| Sarfraj | 226003 | Victoriaganj | 226003 |
| Sarojini Nagar | 226008 | Vikas Nagar | 226022 |
| Sarvoday Nagar | 226016 | Wazirganj | 226018 |
| Sec-c Sitapur Rd | 226021 | Yahiaganj | 226003 |
| Sec-d Indiranagar | 226016 | Zarda | 226003 |
| Sectariate | 226001 | | |



# MAJOR CHANGES BROUGHT ABOUT IN INCOME TAX

## SALARY INCOME

Apart from changes in personal taxation slabs, the primary changes that directly affect salaried employees are as under:

1. Surcharge on Income Tax has been abolished w.e.f AY 2010-11. Presently a surcharge @ 10% is applicable if the total income exceeds Rs. 10 Lacs.

2. Under the existing provisions, an assessee is entitled to tax relief, if on account of receipt of salary etc. in arrears. Now this relief shall not be available on receipt on account of voluntary retirement or termination of his service in accordance with any scheme of voluntary retirement.

3. Perquisite would now include the value of sweat equity shares/oher specified securities allotted or transferred, by the employer free of cost or at concessional rate.

## MAJOR CHANGES BROUGHT ABOUT IN INCOME TAX

### INCOME FROM OTHER SOURCES

Major changes proposed in income from other sources are as under:

1. **Receipts without adequate consideration:**

   Presently any sum of money, aggregating more than fifty thousand rupees, received without consideration by an individual or a HUF from persons other than relatives is taxable. Now apart from money, specified properties based on stamp duty/fair market value have also been included in the ambit of taxation.

   The clause shall not apply to receipts from any relative, on the occasion of the marriage of the individual; will or inheritance; in contemplation of death of the payer or donor; from any local authority; any trust or institution referred to in section 10(23) or any trust or institution registered under section 12AA.

   "Property" has been defined to mean immovable property being land or building or both; shares and securities; jewellery; archaeological collections; drawings; paintings; sculptures; or any work of art.



| Area | PIN | Area | PIN |
|---|---|---|---|
| H E School | 226006 | Maharishi Vidya Mandir | 226020 |
| Hal | 226016 | Malesemau | 226010 |
| Harauni | 226005 | R P Line | 226007 |
| Hasanpur Keoli | 226002 | Manaknagar | 226011 |
| Hasnain Market | 226003 | Manasnagar | 226023 |
| Husainabad | 226003 | Mansoor Nagar | 226003 |
| Iim Mubarakpur | 226013 | Mati | 226002 |
| Ind.Area Sarojininagar | 226008 | Maunda | 226008 |
| Indira Nagar | 226016 | Mawai Padiyana | 226008 |
| Indiranagar Sec-14 | 226016 | Medical College | 226003 |
| Indiranagar Sec-18 | 226016 | Military Hospital | 226002 |
| Indiranagar Sec-21 | 226016 | Mill Road | 226004 |
| Industrial Area | 226009 | Molviganj | 226018 |
| Int Gaon | 226008 | Nadan Mahal | 226004 |
| Ismailganj | 226010 | Nadwa | 226007 |
| Jawahar Bhawan | 226001 | Narain Nagar | 226016 |
| Kalyanpur | 226022 | Naubasta | 226003 |
| Kharika | 226002 | Navinmandi | 226024 |
| L D A Colony | 226012 | Naya Gaon | 226018 |
| Lalbagh | 226001 | New Ganeshganj | 226018 |
| Laulai | 226010 | New Hyderabad | 226007 |
| Locomotive W Shop | 226005 | Niel Lines | 226002 |
| Lonikatra | 226020 | Nilmatha | 226002 |
| Lucknow Chowk H.O | 226003 | Niralanagar | 226020 |
| Lucknow G.P.O. | 226001 | Pandariba | 226004 |
| M N Colony | 226006 | Pawanpuri | 226005 |
| Madiyaon | 226021 | Piparsand | 226005 |
| Mahanagar | 226006 | R A College | 226004 |
| R B Colony | 226018 | Sgpgi | 226014 |
| R G C Mill | 226017 | Shia Lines | 226002 |

## PIN CODES FOR LUCKNOW:

| Area | PIN | Area | PIN |
|---|---|---|---|
| 32 Bat. PAC | 226008 | C B Lines | 226002 |
| A N L Colony | 226004 | C E School | 226012 |
| A P Sabha | 226001 | C&w Work Shop | 226005 |
| Adarsh Nagar | 226005 | Canal Colony | 226001 |
| Ain | 226005 | Chakganjaria | 226002 |
| Aishbagh | 226004 | Chandganj | 226024 |
| Alambagh | 226005 | Chandrawal | 226002 |
| Alamnagar | 226017 | Charbagh | 226004 |
| Aliganj Extension | 226024 | Chaupatiyan | 226003 |
| Aliganj | 226024 | CIMAP | 226015 |
| Amausi Ad | 226009 | D M Road | 226020 |
| Amausi | 226008 | D S Bazar | 226002 |
| Amberganj | 226003 | Daliganj | 226020 |
| Aminabad Park | 226018 | Darul Safa | 226001 |
| Anandnagar | 226005 | Diguria | 226020 |
| Arjunganj | 226002 | Dilkusha | 226002 |
| Arya Nagar | 226004 | Distt. Jail | 226005 |
| Barauna | 226002 | Ganesh Ganj | 226018 |
| Barha | 226005 | Gayrtinagar | 226021 |
| Basha | 226026 | Ghaila | 226020 |
| Batha Sabauli | 226021 | Ghazipur | 226016 |
| Behta | 226026 | Gokhley Marg | 226001 |
| Benti | 226005 | Golaganj | 226018 |
| Bhadrukh | 226002 | Gomtinagar | 226010 |
| Bhatgaon | 226005 | Gomtinagar Vistar | 226010 |
| Bijnaur | 226002 | Guramba | 226026 |
| Birhana | 226004 | Gurdwara | 226004 |
| Blunt Square | 226004 | H C Bench | 226001 |



## MAJOR CHANGES BROUGHT ABOUT IN INCOME TAX

### CAPITAL GAINS

1. After 1st April 2010 cost of acquisition of sweat equity shares etc. shall be the fair market value.

2. **Deemed valuation under section 50C**

   It is proposed to amend the said section so as to substitute the words "or assessed" wherever they occur in the said section by the words "or assessed or assessable".

   The expression "assessable" has been defined as the price which the stamp valuation authority would have adopted or assessed, if it were referred to such authority for the payment of stamp duty.

# MAJOR CHANGES BROUGHT ABOUT IN INCOME TAX

## DEDUCTIONS / RELIEFS

1. **Medical treatment of a dependant with a disability:**
Limit of deduction Under section 80DD:

| | Present Limit | Proposed Limit |
|---|---|---|
| Dependent with a severe disability | 75000/- | 1,00000/- |
| Other than severe disability | 50000/- | 50000/- |

2. **Interest on loan taken for higher education: (Section 80E)**
Deduction for interest has been extended to cover any course of study pursued after passing the senior secondary examination or its equivalent from any school, board or university recognised by the Central Government or State Government or local authority or by any other authority authorized by the Central Government or State Government or local authority.

   Hitherto the deduction was available only for pursuing full time studies for any graduate or post-graduate course in engineering, medicine, management or for post-graduate course in applied sciences.

3. **Approval to a trust or institution under section 80G:**
The approval has been made onetime. Hitherto the approval could be granted by the Commissioner For a maximum of five assessment years.

4. **Contribution to Political Parties: (Section 80GGC)**
Donations made to an electoral trust shall also be fully deductible.

5. Sunset clause for tax holiday under section 80-IA extended up to 31.03.2011 for certain activities and industries.



37CA. (1) All sums collected in accordance with the provisions of Chapter XVII-BB shall be paid to the credit of the Central Government within one week from the end of the month in which the collection is made.

(2) The person responsible for making collection under Chapter XVII-BB shall, within the time specified in sub-rule (1), -
(a) electronically furnish an income-tax challan in Form No.17; and
(b) pay the amount so collected to the credit of the Central Government by electronically remitting it into the Reserve Bank of India, State Bank of India or any authorised bank.

(3) For the purposes of this rule, the amount shall be construed as electronically remitted to the Reserve Bank of India or of the State Bank of India or of any authorised bank, if the amount is remitted by way of :
(a) internet banking facility of the Reserve Bank of India or of the State Bank of India or of any authorised bank; or
(b) credit or debit card.

**Certificate of Tax Collected at Source**

37D. (1) The certificate of collection of tax at source under sub-section (5) of section 206C shall be in Form No.27D.

(2) The certificate referred to in sub-rule (1), shall be furnished to the deductee within one month from the end of the month in which the amount is debited to the account of the buyer or licensee or lessee or payment is received from the buyer or licensee or lessee, as the case may be.

(3) The person responsible for collecting tax at source may issue a duplicate certificate in Form No.27D, if the buyer or licensee or lessee has lost the original certificate so issued and makes a request for issuance of a duplicate certificate and such duplicate certificate is certified as duplicate by the person responsible for collecting tax at source.

(4) The Assessing Officer, before giving credit for the tax collected at source on the basis of duplicate certificate referred to in sub-rule (3), shall-
(a) obtain an Indemnity Bond from the buyer or licensee or lessee; and
(b) get the payment certified by the Assessing Officer designated in this behalf by the Chief Commissioner or the Commissioner.;

(d) for Form No.16, Form No.16A and Form No.16AA, the following forms shall be substituted …………

**Note: CBDT Vide press Release dated 30-06-2009 has put this notification in abeyance.**

(4) The Assessing Officer, before giving credit for the tax deducted at source on the basis of duplicate certificate referred to in sub-rule (3), shall-
(a) obtain an Indemnity Bond from the deductee; and
(b) get the payment certified by the Assessing Officer designated in this behalf by the Chief Commissioner or the Commissioner. Quarterly statement of deduction of tax or collection of tax

31(a) (1) Every person who has been allotted a tax deduction and collection account number under section 203A shall deliver, or cause to be delivered the following quarterly statements; namely:-
(a) the TDS Compliance Statement in Form No.24C;
(b) the Quarterly Statement of deduction of tax under section 192 in Form No.24Q;
(c) the Quarterly Statement of deduction of tax under sections 193 to 196D in- (i) Form No.27Q in respect of the deductee other than a company, being a non-resident or resident but not ordinarily resident, or the deductee being a foreign company; and (ii) Form No.26Q in respect of all other deductees; and
(d) the Quarterly Statement for collection of tax under section 206C in Form No.27EQ.

(2) Every person, who is required to deliver, or cause to be delivered, under sub-rule (1), the statements referred to therein, shall deliver, or cause to be delivered, such statements electronically to the Director General of Income Tax (Systems) or the person authorised by the Director General of Income Tax (Systems).

(3) The statement in Form No.24C referred to in sub-rule (1), shall be delivered, or caused to be delivered, on or before the $15^{th}$ July, the $15^{th}$ October, the $15^{th}$ January in respect of the first three quarters of the financial year, respectively, and on or before the $15^{th}$ June following the last quarter of the financial year.

(4) The statements in Form No.24Q, Form No.26Q, Form No.27Q and Form No.27EQ referred to in sub-rule(1), shall be delivered, or caused to be delivered, on or before the $15^{th}$ June following the financial year.;

(b) Rule 37A shall be omitted;

(c) for rules 37CA and 37D, the following rules shall be substituted, namely:-
time and mode of payment to Government account of tax collected at source under Chapter XVII-BB.



**6. Deduction for certain Industrial Undertakings: (section 80IB)**

- **Mineral Oil:**
  100% deduction for 7 consecutive AY on fulfillment of certain conditions.
- **Housing Projects:**

  Not more than one residential unit shall be allotted in a housing project to a person other than an individual or in case of the person is an individual than not more than one unit shall be allotted to the individual including the following:-

  (i) the spouse or minor children of such individual,
  (ii) the HUF in which such individual is the karta,
  (iii) any person representing such individual,
  (iv) the spouse or the minor children of such individual or
  (v) the HUF in which such individual is the karta.

  Further deduction shall not apply to any undertaking which executes the housing project as a works contract awarded by any person (including Central or State Government).

## MAJOR CHANGES BROUGHT ABOUT IN INCOME TAX

### BUSINESS & PROFESSION

1. **Limited Liability Partnership**:

   Definition of "firm" and "partner" has been amended to include a LLP and its partner bringing the taxation of LLP at par with any other firm.

   Presumptive taxation shall not apply to LLP

   The ITR shall be signed and verified by the designated partner and where for any unavoidable reason the designated partner is not able to sign the return or where there is no designated partner by any other partner.

   Liability of partners of LLP in liquidation shall be at par with any other firm.

2. Commodity Transaction tax abolished wef 01-04-2009

3. The benefit of 150% deduction u/s 35 for expenditure on scientific research has been extended to all businesses engaged in the manufacturing or production of article or thing except those specified in the Eleventh Schedule.

4. 100% deduction has been proposed for capital expenses incurred, wholly and exclusively, for:
   - Operating of cold chain facilities
   - Storage or transportation of agricultural produce, dairy products and other related items.
   - Warehousing for storing agricultural produce
   - Laying and operating a cross-country natural gas or crude or petroleum oil pipeline network for distribution, including storage facilities.



(a) electronically furnish an income-tax challan in Form No.17; and
(b) pay the amount so deducted to the credit of the Central Government by electronically remitting it into the Reserve Bank of India, State Bank of India or any authorised bank.

(5) For the purposes of this rule, the amount shall be construed as electronically remitted to the Reserve Bank of India or of the State Bank of India or of any authorised bank, if the amount is remitted by way of
   (a) internet banking facility of the Reserve Bank of India or of the State Bank of India or of any authorised bank; or
   (b) credit or debit card.

Certificate of tax deducted at source or tax paid under sub-section (1A) of section 192 31.

(1) The certificate of deduction of tax at source or, the certificate of payment of tax by the employer on behalf of the employee, under section 203 shall be in
   (a) Form No.16 if the deduction or, payment of tax, is under section 192; and
   (b) Form No.16A if the deduction is under any other provision of Chapter XVII-B.

(2) The certificate referred to in sub-rule (1) shall be furnished to the deductee-
   (a) within one week after the date on which the sum of tax deducted at source is paid to the credit of the Central Government if the payment in respect of which the tax so deducted is by way of crediting on the date upto which the accounts of the deductor are made;
   (b) within one month from the end of the financial year in which the payment is made to the deductee if-
   (c) (i) the deduction of tax is made under sub-section (1) of section 192;
   (ii) the certificate relates to payment of tax by the employer on behalf of the employee under section (1A) of section 192;
   (iii) the deduction of tax is made under section 194D; or
   (iv) more than one certificate is required to be furnished to a deductee for deductions of income-tax made during a financial year and the deductee has requested for issue of a consolidated certificate in respect of such deductions;
   (c) within fourteen days from the date of payment of income-tax if the payment is made quarterly under sub-rule (2) of rule 30;
   (d) within one month from the end of the month in which the deduction of tax at source is made, in all other cases.

(3) The deductor may issue a duplicate certificate in Form No.16 or Form No.16A, as the case may be, if the deductee has lost the original certificate so issued and makes a request for issuance of a duplicate certificate and such duplicate certificate is certified as duplicate by the deductor.

# NEW TDS RULES (In abeyance for the time being)

**NOTIFICATION NO. 31/2009[F.NO.142/22/2008-TPL]/S.O.858(E), DATED 25-3-09**

In exercise of the powers conferred by section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely:-

1. (1) These rules may be called the Income-tax (Eight Amendment) Rules, 2009.
2. (2) They shall come into force on the 1st day of April, 2009

2. In the Income-tax Rules, 1962, -

(a) for rules 30, 31, 31A and 31AA, the following rules shall be substituted, namely:-Time and mode of payment to Government account of tax deducted at source or tax paid under Chapter XVII-B.

30. (1) All sums deducted in accordance with the provisions of Chapter XVII-B shall be paid to the credit of the Central Government.

(a) within two months from the end of the month in which the amount is credited by the payer to the account of the payee if the crediting is on the date up to which the accounts of the payer are made; and

(b) in any other case, within one week from the end of the month in which the-
(i) deduction is made; or
(ii) income-tax is due under sub-section (1A) of section 192.

(2) Notwithstanding anything contained in sub-rule (1), the Assessing Officer may permit, in special cases, -

(a) quarterly payment of the amount on June 15, September 15, December 15 and March 15 if the amount is deducted from any income chargeable under the head Salaries; and

(b) quarterly payment of the amount on July 15, October 15, January 15 and April 15 if the amount is deducted from any income by way of-(i) interest, other than interest on securities;
(ii) insurance commission; or
(iii) commission or brokerage referred to in section 194H.

(3) No permission under sub-rule (2) shall be granted ananlamkl without the prior approval of the Joint Commissioner.

(4) The person responsible for making deduction, or payment of tax, under Chapter XVII-B shall, within the time specified in sub-rule (1), or sub-rule (2), -



5. Limits of remuneration to Partners have been revised uniformly for both professional and non professional firms:

| | |
|---|---|
| First Rs.3,00,000 of the book-profit or in case of a loss | Rs. 1,50,000 or at the rate of 90 per cent whichever is more |
| On the balance | at the rate of 60 per cent |

6. Payment to transporters can be made in cash up to Rs. 35000/- without the need of account payee cheque/draft.

7. **Presumptive Taxation of Business: (new section 44AD)**
   - Presumptive Taxation of 8% is proposed to be extended to all businesses except truck owners where the turnover is less than Rs.40 Lakhs.
   - This new section shall apply to individual, HUF and Partnership firm excluding LLP.
   - Now retail business shall also be taxable @ 8% than 5%

8. **Business of plying, hiring or leasing goods carriages:**

Presumptive Income increased:

| | Present | Proposed |
|---|---|---|
| Heavy goods vehicles | 3500/- | 5000/- |
| Other Vehicles | 3150/- | 4500/- |

9. **Anonymous Donations:**

Presently the institutions covered under section 11 or under sub clause (iiiad), (vi), (iiiae), (via)(iv) or (v) of clause (23C) of section 10 are liable to pay income tax on anonymous donation @ 30%.

Now such donation shall be taxable only to the extent they exceed 5 per cent of total income of such trust or institution or a sum of Rs. one lacs whichever is more.

**10. Minimum Alternate Tax:**

- Rate increased to 15% from 10%
- Mat credit can be carried forward up to 10 years.
- Provision for diminution in the value of any asset will also be included in the computation of book profit.

**11. Fringe Benefit Tax:**

FBT abolished w.e.f. 01-04-2010

**12. Tax Deduction at Source:**

- Failure to provide PAN shall attract TDS at the rate prescribed or at the rate of twenty per cent., whichever is higher.
- Except for salaries, no surcharge or cess is required to be deducted when the payment is made to a resident.

***Payment to Contractors:***

- If the payee is an individual or HUF - TDS would be 1%
  In case of any other person – TDS would be 2%
- In case of job-work, Tax shall be deducted on the invoice value excluding the value of material if mentioned separately.
- No tax shall be deducted at source in case of payment for plying, hiring or leasing goods carriages provided that the contractor provides PAN.
- The section shall not apply to manufacturing or supplying a product according to the requirement or specification of a customer if materials were not supplied by the customer.

***Rent:***

New rates have been prescribed as under:

| | Existing Rate | Proposed rate |
|---|---|---|
| Rent of Plant, Machinery or Equipment | 10% | 2% |
| Rent of land, building or furniture | 15% (individual & HUF) 20% (others) | 10% for all |

**13. Advance Tax:**

Limit of estimated tax liability increased to Rs. 10000/-



TDS alongwith the e-TDS/TCS return. In case of non-salary (Form No. 26/27) you need not file certificates for no deduction or concessional deduction of TDS alongwith the e-TDS/TCS return. This is not required in case of any quarterly statements.

**Answer:** Form 27A is the summary of the TDS/TCS statement. It has to be signed by the same person who is authorized to sign the TDS/TCS statement in paper format.

**15. What if e-TDS/TCS return does not contain PANs of all deductees?**
**Answer:** In case PANs of some of the deductees are not mentioned in the e-TDS/TCS return, the Provisional Receipt will mention the count of missing PANs in the e-TDS/TCS return. The details of missing PANs (to the extent it can be collected from the deductees) may be filed within seven days of the date of Provisional Receipt to TIN-FC. e-TDS/TCS return will be accepted even with missing PANs. However, if PAN of deductees is not given in the TDS return, tax deducted from payment made to him cannot be posted to the statement of TDS to be issued to him u/s 203AA.

**16. Is the Challan Identification Number compulsory?**
**Answer:** Yes. Challan Identification Number is necessary for all non-Government deductors.

**17. Is PAN mandatory for deductors and employees/deductees?**
**Answer:** PAN of the deductors has to be given by non-Government deductors. It is essential to quote PAN of all deductees failing which credit of tax deducted will not be given.

**18. I am a deductor having more than one office/branch, do I file separate e-TDS/TCS returns for each office/branch or can I file a consolidated return for all offices/branches? Can I quote the same TAN for filing e-TDS/TCS returns for each branch?**
**Answer:** If you have more than one office/branch you can file a consolidated e-TDS/TCS return for all offices/branches. In this case you should quote the same TAN. You can also file e-TDS/TCS returns office/branch-wise individually. In such cases you need to have separate TAN for every branch. In case you do not have separate TAN for each branch then you should apply for TAN for each of the branches filing separate e-TDS/TCS return.

**19. Should I file copies of certificate for no deduction or concessional deduction of tax along with the e-TDS/TCS return?**
**Answer:** In case of salary e-TDS/TCS return (Form No. 24), you have to file certificate for no deduction or concessional deduction of



## MAJOR CHANGES BROUGHT ABOUT IN INCOME TAX

### OTHERS

1. **Document Identification Number:**

   Every income tax authority shall allot a computer generated Document Identification Number in respect of every notice, order, letter or any correspondence issued or received by it. In the absence of DIN the said communications shall be deemed invalid and void.

2. Presently, for summary assessment u/s 143(1), it is provided that the Central Government may, by notification make modifications to the provisions of the Act relating to processing the returns and that such notification may not be issued after March 31, 2009. The time limit has been extended from March 31, 2009 to March 31, 2010.

## MAJOR CHANGES BROUGHT ABOUT IN WEALTH TAX

1. Wealth tax Limit increased from Rs. 15 lacs to Rs. 30 lacs.

## SECTION-WISE MAJOR CHANGES:

### INCOME TAX

| Section | Subject | w.e.f. | Changes |
|---|---|---|---|
| 2(15) | Charitable purpose | 01-04-2009 AY 2009-10 | section 2(15) would now include preservation of environment (including watersheds, forests and wildlife) and preservation of monuments or places or objects of artistic or historic interest |
| 2(22AAA) | Electoral trust | 01-04-2010 AY 2010-11 | Definition of an "electoral trust" to mean a trust so approved by the Board in accordance with the scheme made in this regard by the Central Government. |
| 2(23) | The expressions "firm", "partner" and "partnership" | 01-04-2010 AY 2010-11 | It is proposed to substitute clause (23) of said section so as to define the words "firm", "partner" and "partnership" in the context of an entity registered under the Limited Liability Partnership Act, 2008 and also to retain the definitions of "firm", "partner" and "partnership" in the context of a partnership |



**9. What is 'Bank Branch Code'? Where do I get it from?**
**Answer:** Reserve Bank of India has allotted a unique seven-digit code to each bank branch. You are required to mention the code of the bank branch where TDS is deposited in the e-TDS/TCS return. You can get this code from the bank branch where TDS amount is deposited.

**10. Is it mandatory to mention Tax Deduction Account Number (TAN) in e-TDS/TCS return?**
**Answer:** Yes, it is mandatory to mention the 10 digit reformatted (new) TAN in your e-TDS/TCS return.

**11. Can I file Form No. 26Q separately for contractors, professionals, interest etc.?**
**Answer:** No. A single Form No. 26Q with separate annexures corresponding to each challan payment for each type of payment has to be filed for all payments made to residents.

**12. I do not know the Bank Branch Code of the branch in which I deposited tax. Can I leave this field blank?**
**Answer :** Bank Branch code or BSR code is a 7-digit code allotted to banks by RBI. This is different from the branch code, which is used for bank drafts etc. This number is given in the OLTAS challan or can be obtained from the bank branch or from the search facility at NSDL-TIN website. It is mandatory to quote BSR code both in challan details and deductee details. Hence, this field cannot be left blank. Government deductors transfer tax by book entry, in which case the BSR code can be left blank.

**13. What should I mention in the field 'paid by book entry or otherwise' in deduction details?**
**Answer:** If payment to the parties (on which TDS has been deducted) has been made actually i.e. by cash, cheque, demand draft or any other acceptable mode, then 'otherwise' has to be mentioned in the specified field. But if payment has not been actually made and merely a provision has been made on the last date of the accounting year, then the option 'Paid by Book Entry' has to be selected.

**14. By whom should the control chart Form 27A be signed?**

5. **What is Form No. 27A?**
**Answer:** Form No. 27A is a control chart of quarterly e-TDS/TCS statements to be filed in paper form by deductors/collectors alongwith quarterly statements. It is a summary of e-TDS/TCS returns which contains control totals of 'amount paid' and 'income tax deducted at source'. The control totals of 'amount paid' and 'income tax deducted at source' mentioned on Form No. 27A should match with the corresponding control totals in e-TDS/TCS return. A separate Form No. 27A is to be filed for each e-TDS/TCS return.

In case of Annual Returns the relevant control charts are Form 27A for e-TDS and Form 27B for e-TCS.

6. **What are the precautions to be taken while submitting Form No. 27A/B?**
**Answer:** While submitting Form No. 27A/B, one should ensure that:

a) There is no overwriting/striking on Form No. 27A/B. If there is any, then the same should be ratified (signed) by the authorised signatory.
b) Name and TAN of deductor and control totals of 'amount paid' and 'income tax deducted at source' mentioned on Form No. 27A/B should match with the respective totals in the e-TDS/TCS return.
c) All the fields of Form No. 27A/B are duly filled.

7. **What is the data structure (file format) for preparing e-TDS/TCS return?**
**Answer:** e-TDS/TCS return should be prepared in accordance with the data structure (File Format) prescribed by the e-filing administrator. Separate data structure has been prescribed for each type of form whether it is annual return (up to FY 2004-05) or Quarterly return (FY 2005-06 onwards).

8. **What is Challan Serial Number given by the Bank?**
**Answer:** Bank Challan Number is a receipt number given by the bank branch where TDS is deposited. A separate receipt number is given for each challan deposited. You are required to mention this challan number in the e-TDS/TCS return and not the preprinted numbers on the bank challan form i.e. ITNS 269 or ITNS 271.



| | | | |
|---|---|---|---|
| | | | formed under the Indian Partnership Act, 1932. |
| 2(24) (iia) | Voluntary contributions | 01-04-2010 AY 2010-11 | include therein the voluntary contribution received by electoral trusts within the definition of income. The proposed amendment is consequential in nature. |
| 2(29BA) | Expression “manufacture”. | 01-04-2009 Ay 2009-10 | The term “manufacture” with its gramatical variations would mean a change in a non-living physical object or article or thing resulting in transformation of the object or article or thing into a new and distinct object or article or thing having a different name, character and use, or bringing into existence of a new and distinct object or article or thing with a different chemical composition or integral structure. |
| 2(48) | Zero coupon bond | 01-04-2009 | The proposed amendment seeks to include bonds issyed by “scheduled bank”. It is also proposed to insert an Explanation in the said clause so as to define the expression “scheduled bank” |
| 10(10C) | Amount received or receivable on his voluntary retirement | 01-04-2010 AY 2010-11 | This new clause provides that where any relief has been |

| | | | |
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| | or termination of service or voluntary separation | | allowed to an assessee under section 89 for any assessment year in respect of any amount received or receivable on his voluntary retirement or termination of service or voluntary separation, no exemption under this clause shall be allowed to him in relation to such, or any other, assessment year. |
| 10(23C) | Application for grant of exemption or continuance thereof, | 01-04-2009 Ay 2009-10 | Hitherto an application on or after 1st June, 2006 for the purposes of grant of exemption or continuance thereof, is to be made at any time during the financial year immediately preceding the assessment year from which the exemption is sought. Now It is proposed to allow the filing of the application on or before the 30th September of the relevant assessment year. |
| 10(23D) | Public sector Bank | 01-04-2010 AY 2010-11 | A bank included in the category 'other public sector banks' by the Reserve Bank of India would also be covered under the scope of clause (23D). |
| 10(44) | Income from New Pension System Trust | 01-04-2009 Ay 2009-10 | Any income received by any person for, or on behalf of, the New |



2. **Is there any software available for preparation of e-TDS/TCS return?**
**Answer:** NSDL has made available a freely downloadable return preparation utility for preparation of e-TDS/TCS returns. Additionally, you can develop your own software for this purpose or you may acquire software from various third party vendors. A list of vendors, who have informed NSDL that they have developed software for preparing e-TDS/TCS returns, is available on the NSDL-TIN website.

3. **Are the forms used for e-TDS/TCS return same as for physical returns?**
**Answer:** Forms for filing TDS/TCS returns were notified by CBDT. These forms are same for electronic and physical returns. However, e-TDS/TCS return is to be prepared as a clean text ASCII file in accordance with the specified data structure (file format) prescribed by ITD.

4. **What are the forms to be used for filing annual/quarterly TDS/TCS returns?**
**Answer:** Following are the forms for TDS/TCS returns and their periodicity:

| Form o. | Particulars | Periodicity |
|---|---|---|
| 24 | Annual return of 'Salaries' under Section 206 | Annual |
| 26 | Annual return of deduction of tax under section 206 for payments other than 'Salaries' | Annual |
| 27 | Statement of deduction of tax from interest, dividend or any other sum payable to certain persons | Quarterly |
| 27E | Annual return of collection of tax under section 206C of Income Tax Act, 1961 | Annual |
| 24Q | Quarterly statement for tax deducted at source from 'Salaries' | Quarterly |
| 26Q | Quarterly statement of tax deducted at source for payments other than 'Salaries' | Quarterly |
| 27Q | Quarterly statement of deduction of tax from interest, dividend or any other sum payable to non-residents | Quarterly |
| 27EQ | Quarterly statement of collection of tax at source | Quarterly |

## e-TDS RETURNS – FAQ
## (Till Notification No 31/2009 is in abeyence)

1. **How should the e-TDS/TCS return be prepared?**
**Answer:** e-TDS/TCS return has to be prepared in the data format issued by e-Filing Administrator. This is available on the Income Tax Department website (www.incometaxindia.gov.in) and NSDL-TIN website (www.tin-nsdl.com). There is a validation software (File Validation Utility) available along with the data structure which should be used to validate the data structure of the e-TDS/TCS return prepared. The e-TDS/TCS return should have following features:
(a) Each e-TDS/TCS return file should be in a separate CD/floppy.
(b) Each e-TDS/TCS return file should be accompanied by a duly filled and signed (by an authorised signatory) Form No. 27A in physical form.
(c) Each e-TDS/TCS return file should be in one CD/floppy. It should not span across multiple floppies.
(d) In case the size of an e-TDS/TCS return file exceeds the capacity of one floppy, it should be filed on a CD.
(e) If an e-TDS return file is required to be compressed, it should be compressed using Winzip 8.1 or ZipItFast 3.0 compression utility (or higher version thereof) to ensure quick and smooth acceptance of the file.
(f) Label should be affixed on each CD/floppy mentioning name of the deductor, his TAN, Form no. (i.e. 24, 26 or 27) and period to which the return pertains.
(g) There should not be any overwriting/striking on Form No. 27A. If there is any, then the same should be ratified by an authorised signatory.
(h) No bank challan or copy of TDS/TCS certificate should be filed alongwith e-TDS/TCS return file.
(i) In case of Form Nos. 26 & 27, deductor need not file physical copies of certificates of no deduction or lower deduction of TDS received from deductees.
(j) In case of Form 24, deductor should file physical copies of certificates of no deduction or deduction of TDS at lower rate, if any, received from deductees. However, there is no such requirement in case of Form 24Q.
(k) e-TDS/TCS return file should contain TAN of the deductor/collector without which, the return will not be accepted.
(l) CD/floppy should be virus-free.

In case any of these requirements are not met, the e-TDS/TCS return will not be accepted at TIN-FCs.



| | | | |
|---|---|---|---|
| | | | Pension System Trust established on 27th day of February, 2008 under the provisions of the Indian Trust Act, 1882 will also not be included in total income of such trust. |
| 10A | newly established industrial undertakings in free trade zone, etc. | 01-04-2009 | Deduction extended for the previous year 2010-2011 relevant to assessment year 2011-2012. |
| 10AA | Special provision in respect of newly established Units in Special Economic Zones | 01-04-2010 AY 2010-11 | It is proposed to amend the said sub-section so as to substitute the reference to “assessee” by the word “undertaking”. After the proposed amendment deduction under aforesaid section shall be computed with reference to the total turnover of the undertaking. |
| 10B | 100% export oriented undertakings | 01-04-2009 | Deduction extended for the previous year 2010-2011 relevant to assessment year 2011-2012. |
| 13B | Voluntary contributions received by electoral trusts | 01-04-2010 AY 2010-11 | Any voluntary contribution received by an electoral trusts shall not be included in the total income of the previous year of such electoral trusts if (a) such electoral trust distributes to any political party registered under section 29 of the |

| | | | |
|---|---|---|---|
| | | | Representation of the People Act, 1951 (43 of 1951) during the said previous year ninety-five per cent. of the aggregate donations received by it during the said previous year along with the surplus, if any, brought forward from any earlier previous year; and (b) such electoral trust functions in accordance with the rules made in this regard by the Central Government. |
| 17 | Salary, perquisite and profits in lieu of salary | 01-04-2010 AY 2010-11 | Perquisite would include the value of any specified security or sweat equity shares allotted or transferred, directly or indirectly, by the employer, or former employer, free of cost or at concessional rate to the assessee.<br><br>Perquisite to include the amount of any Contribution to an approved superannuation fund by the employer in respect of the assessee, to the extent it exceeds one lakh rupees.<br><br>Perquisite include the value of any other fringe benefit or amenity as may be prescribed. |



you get the Challan Identification Number (CIN) online, which is required by you when you file your return.

**Procedure for e-payment:**

1. To pay taxes online the taxpayer will select the relevant challan i.e. ITNS 280, ITNS 281, ITNS 282 or ITNS 283, as applicable. Note new Challan No 17 has been deferred till
2. Enter its PAN / TAN as applicable. There will be an online check on the validity of the PAN / TAN entered.
3. If PAN/ TAN is valid the taxpayer will be allowed to fill up other challan details like accounting head under which payment is made, name and address of TAN and also select the bank through which payment is to be made, etc.
4. On submission of data entered a confirmation screen will be displayed. If the taxpayer confirms the data entered in the challan, it will be directed to the net-banking site of the bank.
5. The taxpayer will login to the net-banking site with the user id/ password provided by the bank for net-banking purpose and enter payment details at the bank site.
6. On successful payment a challan counterfoil will be displayed containing CIN, payment details and bank name through which e-payment has been made. This counterfoil is proof of payment being made.

**19. If after entering challan details in NSDL site if Bank Name is not being displayed what should I do?**
**Answer:** The problem may be encountered because of the following

Reason 1: If Assessee enters incorrect TAN / PAN in challan data entry screen.
Reason 2: If Assessee using Internet Explorer browser then temporary internet files should be deleted by following
A. Open Internet Explorer window
B. Go to “Tools” Menu
C. Select “Internet Options”
D. Delete cookies and Delete temporary Internet files on your machine
E. Close the current Internet Explorer windows
F. Again go to tin-nsdl site & make e-payment

If still above raised problem not resolved then kindly contact the TIN Call Center at 022-24994650 or write to us at e-tax@nsdl.co.in

**20. Account get debited more than once for the same e-tax transaction what should I do?**
**Answer:** If during the transaction or after completing the transaction bank site encountered any error or get disconnected before generating Taxpayer counterfoil then instead of doing the same transaction again kindly check your Account, if account is being debited then contact your bank for regeneration of taxpayer counterfoil . Please note in the above case donot make the same transaction again which result in account debited more than once for same e-tax transaction.

**21. How secure is the transmission of data to the website for e-payment?**
**Answer:** All transmission through NSDL-TIN website is encrypted and is with Secure Socket Layer (SSL) authentication. With respect to the banks, it depends on the security measures provided by the bank for net-banking.

**22. How does this system of payment of taxes through internet benefit me as a taxpayer?**
**Answer:** This system is beneficial to you as you are not required to personally visit the bank to make the payments. Payment can be made electronically at your convenience from any place where an internet facility is available e.g. your office, residence, etc. Further,



| | | | |
|---|---|---|---|
| 28(vii) | Compensation for capital asset | 01-04-2010 AY 2010-11 | A new clause is inserted to provide that any sum, whether received or receivable, in cash or kind, by reason of any capital asset (other than land or goodwill or financial instrument) being demolished, destroyed, discarded or transferred, shall be chargeable to income-tax under the head “Profit and gains of business or profession, if the whole of the expenditure on such capital asset has been allowed as a deduction under section 35AD which contains provisions relating to deduction in respect of expenditure on specified business and proposed to be inserted as a new section in the Income-tax Act, 1961. |
| 32 | Depreciation | 01-04-2010 AY 2010-11 | Reference to “block of assets” from *Explanation 3* to sub-section (1) of section 32 has been omitted. Now “block of assets” shall have the same meaning as assigned to it in clause (11) of section 2 of the Act. |
| 35 | Expenditure on scientific research | 01-04-2010 AY 2010-11 | Now the benefit is extended to all businesses engaged |

| | | | |
|---|---|---|---|
| | | | in the manufacturing or production of article or thing except those specified in the Eleventh Schedule. |
| 35AD | New Section – Expenditure on specified business. | 01-04-2010 AY 2010-11 | The clause provides for allowing 100% deduction for capital expenses incurred, wholly and exclusively, for specified business.<br><br>The specified business would mean the business of setting up and operating of cold chain facilities for storage or transportation of agricultural produce, dairy products and other related items. It would also include the business of warehousing for storing agricultural produce and the business of laying and operating a cross-country natural gas or crude or petroleum oil pipeline network for distribution, including storage facilities being an integral part of such network. |
| 36 (1) (iiia) | Other deductions: Discount on zero coupon bond | 01-04-2009 | In clause (i) of the Explanation to clause (iiia) of sub-section (1) of the section 36 which provides for the definition of the expression "discount" |



**12. What is the timing for making payment through internet?**
**Answer:** You will have to check the net-banking webpage of your bank's website for this information.

**13. If I encounter any problem while making payment through internet whom should I contact?**
**Answer:** If any problem encountered at the NSDL website while entering non-financial data then contact the TIN Call Center at 022-24994650 or write to us at e-tax@nsdl.co.in

If any problem encountered while entering the financial details at the net-banking webpage of your bank, then you should contact your bank for assistance.

**14. Where should I make enquiries about my tax payments through internet?**
**Answer:** You should contact your bank for queries about your payment transaction through internet.

**15. Whom should I contact if the counterfoil containing the CIN is not displayed on completion of the transaction and if I want duplicate counterfoil?**
**Answer:** Your Bank provides facility for re-generation of electronic challan counterfoil kindly check the Bank website, if not then you should contact your bank request them for duplicate challan counterfoil.

**16. If I have misplaced my counterfoil whom do I contact?**
**Answer:** Your Bank provides facility for re-generation of electronic challan counterfoil kindly check the Bank website; if not then you should contact your bank and request them for duplicate challan counterfoil.

**17. After making e-payment of direct tax if status of challan is not available under Challan Status Enquiry on NSDL site, what should I do?**
**Answer:** You can verify the status of the challan in the "Challan Status Inquiry" at NSDL-TIN website after 5 to 7 days of making e-payment. In case of non availability of the challan status kindly contact your bank..

**18. If I encountered any error on NSDL site while making e-tax payment what should I do?**
**Answer:** If encountered any error on e-tax website kindly contact TIN call centre at 022-24994650 or write to us at e-tax@nsdl.co.in

**Step 3**

After entering all the above detail, click on PROCEED button. TIN system will display the contents you have entered along with the "Name" appearing in the ITD database with respect the PAN/TAN entered by you.

**Step 4**

You can now verify the details entered by you. In case you have made a mistake in data entry, click on **"EDIT"** to correct the same. If all the detail and name as per ITD is correct, click on **"SUBMIT"** button. You will be directed to the net-banking site provided by your bank.

8. **What is the procedure after being directed to the net banking site of the bank?**

   **Answer:** TIN system will direct you to net-banking facility of your bank. You will have to log on to the net banking site of your bank using your login ID and password/PIN provided by the bank. The particulars entered by you at TIN website will be displayed again.

   You will now be required to enter the amount of tax you intend to pay and also select your bank account number from where you intend to pay the tax. After verifying the correctness, you can proceed with confirming the payment.

9. **What will happen after I confirm the payment of tax at my bank's site?**

   **Answer:** Your bank will process the transaction online by debiting the bank account indicated by you and generate a printable acknowledgment indicating the **Challan Identification Number (CIN)**. You can verify the status of the challan in the "Challan Status Inquiry" at NSDL-TIN website using CIN after a week, after making payment.

10. **How can I know that I have completed tax payment using this facility?**

    **Answer:** Apart from CIN given to you, you can check your online bank statement to verify the tax payment.

11. **Do I have to attach the acknowledgment counterfoil with my return?**

    **Answer:** No, it will be considered sufficient proof if you quote your Challan Identification Number (CIN) as mentioned in your counterfoil in your return.



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|---|---|---|---|
| | | | "scheduled bank" has been added after public sector company |
| 36 (1) (viii) | Other deductions: Special reserve | 01-04-2010 AY 2010-11 | In *Explanation* to clause (viii) words "housing development" is substituted in place of the words "construction or purchases of houses in India for residential purpose". |
| 36(1)(xvi) | Other Deductions: Commodities transaction tax | 01-04-2009 | Removed. Consequential Change. |
| 40(v) | Payments of salary, bonus, commission or remuneration to Partners: | 01-04-2010 AY 2010-11 | Limits Revised uniformly for both professional and non professional firms:<br><br>**on the first Rs.3,00,000 of the book-profit or in case of a loss**;<br>= Rs. 1,50,000 or at the rate of 90 per cent<br><br>**on the balance;**<br>= of the book-profit at the rate of 60 per cent |
| 40A(3) | Expenses/payments not deductible | 01-10-2009 | Payments made for plying, hiring or leasing goods carriages, the ceiling of 20000/- shall be enhanced to thirty-five thousand rupees. |
| 43(1) | Actual cost | 01-04-2010 AY 2010-11 | Actual cost of any capital asset on which deduction has been allowed or is allowable to the assessee under section 35AD consequential in nature |

| | | | |
|---|---|---|---|
| 43(6) | Partly agriculture and partly business income | 01-04-2010 AY 2010-11 | where the income of an assessee is derived, in part from agriculture and in part from business of the assessee chargeable to income-tax under the head "Profits and gains of business and profession", for computing the wdv of assets acquired before the previous year, the total amount of depreciation shall be computed as if the entire income is derived from the business of the assessee under the head "Profits and gains of business or profession" and the depreciation so computed shall be deemed to be the depreciation actually allowed during the previous year |
| 44AA | Maintenance of accounts | 01-04-2011 AY 2011-12 | Assessee covered under the new proposed section 44AD *vide* clause 20, the maintenance of books of account is required if he claims that the profits and gains from the business are lower than the profits and gains computed in accordance with the provisions of sub-section (1) of section 44AD and if his income |



21. Dena Bank
22. Syndicate Bank
23. ICICI Bank
24. United Bank of India
25. UCO Bank
26. Central Bank of India
27. Andhra Bank
28. Jammu & Kashmir Bank

Alternatively you may get the information from your bank.

6. **What should I do if my bank does not have an online payment facility or is not an authorized bank for etax ?**
**Answer:** In case your bank does not have an online payment facility or is not an authorized bank then you can make electronic payment of tax from the account of any other person who has an account with the authorized bank having online facility. However, the challan for making such payment must clearly indicate your Permanent Account Number (PAN).

7. **What is the procedure for entering the required data on the screen for paying tax online?**
**Answer:** Follow the steps as under to pay tax online:-
**Step 1**
a) Log on to NSDL-TIN website (www.tin-nsdl.com).
b) Click on the icon e-payment: pay taxes online.
c) Click on 'Please Click Here'.
d) Select the required challan.

**Step 2**
After selecting the required challan, you will be directed to the screen for entering the following data:-
a) PAN for non-TDS payments and TAN for TDS payments
b) Name and address of the taxpayer
c) Assessment Year
d) Major Head Code
e) Minor Head Code
f) Type of payment
g) Select the bank name from the drop down provided

In case of challan no. 280, 282 and 283 PAN needs to be entered. In case of challan no. 281 Tax Deduction/Collection Account Number (TAN) needs to be entered. Please ensure that you enter PAN/TAN correctly, as this is extremely important for further processing. The system will check the validity of PAN/TAN. In case PAN/TAN is not available in the database of the Income Tax Department then you cannot proceed with the payment of tax.

## e-PAYMENT OF TAXES - FAQ

Note : Notification No 31/2009 substituting new TDS Rules have been put in abeyance.

1. **What is e-payment of taxes?**
   **Answer:** This is a facility provided to the taxpayers to make income tax payments through internet, using net-banking facility.
2. **How can I use this facility to pay income tax?**
   **Answer:** You can use the facility if -
   a) You have a bank account with net-banking facility, and
   b) Your bank is amongst the banks that provide the e- payment facility.
3. **Whether it is mandatory to pay tax online?**
   **Answer:** It is mandatory for the following types of assesses to pay tax online with effect from April 1,2008.
   a) All the corporate assesses.
   b) Partnership Firms to whom provisions of section 44AB of the Income Tax Act, 1961 are applicable.
4. **Whether it is mandatory to make the TDS/TCS payment (Challan 281) online?**
   **Answer:** Yes, it is mandatory for below Assessee to make the TDS/TCS payment online
   a) All the corporate assesses.
   b) All assesses (other than company) to whom provisions of section 44AB of the Income Tax Act, 1961 are applicable.
   Note: Form 17 has been prescribed under new rules.
5. **How do I know whether my bank provide this facility?**
   **Answer:** The list of banks providing this facility is as under:

| | |
|---|---|
| 1. Axis Bank | 2. Sate Bank of India |
| 3. Punjab National Bank | 4. Indian Overseas Bank |
| 5. Canara Bank | 6. Indian Bank |
| 7. Bank of India | 8. Corporation Bank |
| 9. State Bank of Bikaner & Jaipur | 10. State Bank of Travancore |
| 10. State Bank of Indore | 11. Vijaya Bank |
| 12. HDFC Bank | 12. Oriental Bank of Commerce |
| 13. State Bank of Patiala | 14. Bank of Baroda |
| 15. IDBI Bank | 16. State Bank of Mysore |
| 17. Bank of Maharashtra | 18. State Bank of Hyderabad |
| 19. Union Bank of India | 20. Allahabad Bank |



| | | | |
|---|---|---|---|
| | | | exceeds the maximum amount which is not chargeable to income tax. |
| 44AB | Tax Audit | 01-04-2011 AY 2011-12 | Assessee covered under the new proposed section 44AD *vide* clause 20, the audit of books of account is required if he claims that the profits and gains from the business are lower than the profits and gains computed in accordance with the provisions of sub-section (1) of section 44AD and if his income exceeds the maximum amount which is not chargeable to income-tax. |
| 44AD | Presumptive profit | 01-04-2011 AY 2011-12 | For estimating income of assessee who is engaged in any business except the business of plying, hiring or leasing goods carriages referred to in section 44AE, at a sum equal to eight per cent. of the total turnover or gross receipts in the previous year on account of such business, or, as the case may be, a sum higher than the aforesaid sum claimed to be earned by the assessee. The scheme will apply to such |

| | | | |
|---|---|---|---|
| | | | resident assessee who is an individual, Hindu undivided family and partnership firm but not limited liability partnership firm, whose total turnover does not exceed forty lakh rupees.<br><br>The scheme shall not apply to an assessee, who has claimed deduction under any of the sections 10A, 10AA, 10B, 10BA or deduction under any provision of Chapter VIA under the heading "C.-*Deductions in respect of certain incomes*"<br><br>Advance tax shall not apply to the assessee, who opts for the above scheme in respect of such business.<br><br>Assessee will not be required to maintain books of and get the accounts audited u/s 44AB unless he/she claims that the profits and gains from the aforesaid business are lower. |
| 44AE | Business of plying, hiring or leasing goods carriages | 01-04-2011 AY 2011-12 | Amounts increased from (a) three thousand five hundred rupees to five thousand rupees per month or part of a |



# DUE DATE CALENDAR

## COMMON DATES

| Date | Obligation | Frequency |
|---|---|---|
| **5** | Service Tax Payment | Every Month-for Companies |
| | Excise Duty Payment | Every Month |
| **7** | TDS/TCS Deposit | Every Month For Previous Month ended. |
| **10** | Excise Returns | Every Month |
| **11** | E.S.I. Return | Every Month |
| **13** | Annual P F Return | In April |
| **15** | T.D.S. Returns | Quarterly |
| | Advance Payment of IT/FBT | Quarterly/Monthly |
| | P.F. Deposit | Every Month |
| **16** | E.S.I. Deposit | Half Yearly |
| **25** | P. F. Return | Monthly |
| | Service Tax Return | Half Yearly |
| **30** | T.C.S. RETURN | Quarterly |

## SPECIFIC DATES

| Date | Obligation |
|---|---|
| **$31^{st}$ MAR** | Service Tax payment for both Monthly /Quarterly Cases |
| **$31^{st}$ MAY** | T.D.S. Deposit if payment credited on $31^{st}$ March |
| **$15^{th}$ JUN** | Advance Income Tax /FBT for Companies |
| **$31^{st}$ JUL** | IT /FBT Return Filing for non audit cases |
| **$30^{th}$ SEP** | Income Tax/ Wealth Tax /FBT Returns of Companies & Tax Audit cases |
| **$25^{th}$ OCT** | Service Tax Return - Half Yearly |
| **$31^{st}$ OCT** | Balance Sheet & PL Filing with ROC for Companies with financial year ending on $31^{st}$ march |
| **$30^{th}$ NOV** | Annual Return Filing for Companies with financial year ending on $31^{st}$ march |

## New Income Tax Returns

| Sl | Assessee | Applicable Form |
|---|---|---|
| 01 | For Individuals having Income from Salary/ Pension/ family pension) & Interest | ITR-1 |
| 02 | For Individuals and HUFs not having Income from Business or Profession | ITR -2 |
| 03 | For Individuals/HUFs being partners in firms and not carrying out business or profession under any proprietorship] | ITR- 3 |
| 04 | For individuals & HUFs having income from a proprietory business or profession | ITR - 4 |
| 05 | For firms, AOPs and BOIs (Including Fringe Benefit Tax Return) | ITR – 5 |
| 06 | [For Companies other than companies claiming exemption under section 11 (Including Fringe Benefit Tax Return) | ITR – 6 |
| 07 | For persons including companies required to furnish return under section 139(4A) or section 139(4B) or section 139(4C) or section 139(4D) (Including Fringe Benefit Tax Return) | ITR – 7 |
| 08 | Return for Fringe Benefits | ITR – 8 |
| 09 | Indian Income Tax Return Verification Form [Where The Data Of The Return Of Income/Fringe Benefits In Form Itr-1, Itr-2, Itr-3, Itr-4, Itr-5, Itr-6 & Itr-8 Transmitted Electronically Without Digital Signature] | ITR - V |

Note: Form ITR-V is required to be furnished to the Income Tax Department , CPC, Post Bag No - 1, Electronic City Post Office, Bangalore - 560100, Karnataka **BY ORDINARY POST ONLY** within thirty days after the date of transmitting the data electronically .

**ITR-V sent by Speedpost, Registered Post or Courier will not be accepted.**

ITR-V sent by them to CPC Bangalore will be scanned after stamping receipt number and date of receipt and the same shall be made available to taxpayers on request through email.

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| | | | |
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| | | | month or the amount claimed to be actually earned by the assessee, whichever is higher in the case of heavy goods vehicles and (b) from three thousand one hundred and fifty rupees to four thousand five hundred rupees per month or part of a month or the amount claimed to be actually earned by the assessee, whichever is higher in the case of vehicles other than heavy goods vehicles. |
| 44AF | Retail Business | 01-04-2009 | This section shall not apply to any assessment year beginning on or after 1st April, 2011, in view of the substitution of section 44AD *vide* clause 20 of the Bill. |
| 49 (2AA) | Capital gain from shares/securities | 01-04-2010 AY 2010-11 | Where capital gain arises from the transfer of specified security or sweat equity shares, the cost of acquisition of such security or shares shall be the fair market value which has been taken into account for the purposes of the said sub-clause. |
| 50B | Capital gains in case of slump sale | 01-04-2010 AY 2010-11 | Changes in computation of Net Worth. |

| | | | |
|---|---|---|---|
| 50C | Special provision for full value of consideration in certain cases | 01-10-2009 | The words "or assessed" wherever they occur in the said section be substituted by the words "or assessed or assessable".<br><br>the expression "assessable" is as the price which the stamp valuation authority would have adopted or assessed, if it were referred to such authority for the payment of stamp duty notwithstanding anything to the contrary contained in any other law for the time being in force. |
| 56(2)(vi) | Income from other sources | 01-10-2009 | Specified properties including a sum of money, received without consideration or for inadequate consideration brought under the cover. |
| 57 | Deductions | 01-04-2010 AY 2010-11 | In the case of income of the nature referred to in clause (viii) of sub-section (2) of section 56, a deduction of a sum equal to fifty per cent. of such income and no deduction shall be allowed under any other clause of the said section. |



## INCOME TAX CHALLANS

| Sl No | Purpose | Challan No. |
|---|---|---|
| 01 | Payment of INCOME-TAX both for companies and non company assessee | TNS 280 |
| 02 | Deposit of TDS both by companies and non company deductee | ITNS 281# |
| 03 | Securities transaction tax<br>Wealth tax<br>Gift tax<br>Expenditure/other tax<br>Estate duty<br>Interest tax<br>Hotel receipts tax | ITNS 282 |
| 04 | Banking Cash Transaction Tax | ITNS 283 |
| 05 | Fringe Benefits Tax | ITNS 283 |

#Note: TDS and TCS payment and information reporting system has been redesigned and Form 17 has been prescribed.. However Notification No. 31 of 2009 dated 25.3.2009 amending or substituting Rules 30, 31, 31A and 31AA of the Income Tax Rules, 1962 shall be kept in abeyance for the time being.

## STAMP ACT (as applicable in U.P)

| | |
|---|---|
| Letter of Acknowledgement of Debt exceeding Rs. 1,000/- | 10/- |
| Affidavit | 10/- |
| Articles and Memorandum | 1000/- |
| Deed of Partnership | 700/- |
| Dissolution of Partnership Ddeed | 100/- |
| General Agreement | 100/- |
| Supplementary partnership Deed | 100/- |
| Indemnity/Surety Bond | 100/- |
| General Power of Attorney | 100/- |
| Specific Power of Attorney | 50/- |
| Undertaking | 10/- |
| Bank Guarantee | 00.50% subject to maximum of Rs. 10000/- |

## CODES FOR RESIDENCE AND STATUS

### 1. Residence

| Residence in India | Code |
|---|---|
| Resident | 01 |
| Non-Resident | 02 |
| Resident but not ordinarily resident | 03 |

### 2. Status

| Status | Code | Status | Code |
|---|---|---|---|
| Individual | 01 | Association of persons (AOP) | 07 |
| HUF | 02 | Association of persons (Trust) | 08 |
| HUF Which has at least one member with total income of the previous year exceeding the maximum amount not chargeable to tax | 03 | Body of individuals (BOI) | 09 |
| unregistered firm | 04 | Artificial juridical person | 10 |
| Registered firm/firm (other than the one engaged in profession) | 05 | Co-operative Society | 11 |
| Registered firm/firm engaged in profession | 06 | Local authority | 16 |



| | | | |
|---|---|---|---|
| 73A | Carry forward and set off of losses by specified business. | 01-04-2010 AY 2010-11 | New section to provide that any loss, computed in respect of any specified business referred to in section 35AD. shall not be set off except against profits and gains, if any, of any other specified business |
| 80A | Deductions from the gross total income | 01-04-2003 AY 2003-04 | Deductions relating to assesses under section 10A, 10AA, 10B and 10BA |
| 80CCD | contribution to pension scheme | 01-04-2009 Ay 2009-10 | Assessee other than employed by the Central Government or any other employer on or after the 1st day of January, 2004 also included.<br><br>Further, assessee shall be deemed not to have received any amount in the previous year if such amount is used for purchasing an annuity plan in the same previous year. |
| 80DD | Medical treatment of a dependant, who is a person with disability | 01-04-2010 Ay 2010-11 | For severe disability the Limit increased to 1 lacs from 75000/- |
| 80E(3)(c) | Interest on loan taken for higher education | 01-04-2010 Ay 2010-11 | Now higher education will mean any course of study pursued after passing the senior secondary examination or its equivalent from any school, board or university recognised |

| | | | |
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| | | | by the Central Government or State Government or local authority or by any other authority authorized by the Central Government or State Government or local authority. |
| 80G | Donations to certain funds, charitable institutions, etc. | 01-10-2009 | Under existing provisons the approval granted by the Commissioner to any institution or fund has the effect for such number of assessment year not exceeding five assessment years, as may be specified in the approval. The amendment seeks to omit the proviso to clause (vi) of sub-section (5) of section 80G so as to do away with the time limit specified in the aforesaid proviso. |
| | | 01-04-2009 Ay 2009-10 | if any institution or fund had been approved under clause (vi) of sub-section (5) of section 80G for the previous year beginning on the 1st day of April, 2007 and ending on the 31st day of March, 2008, such institution or fund shall, for the purposes of aforesaid section and notwithstanding |



| | City | ITO/Commissioner | Telephone No. | CCIT |
|---|---|---|---|---|
| 37 | Khatauli | ITO, Mujjafarnagar | 01396-275967 | Meerut |
| 38 | Khatima | ITO, Haldwani | 05943-253299 | Dehradun |
| 39 | Kushi Nagar | ITO Gorakhpur | 05564-246039 | Allahabad |
| 40 | Lakhimpur Kheri | ITO, Bareilly | 05872-252754 | Bareilly |
| 41 | Lalitpur | ITO Agra | 05176-274396 | Kanpur |
| 42 | Lucknow | CCIT, Lucknow | 0522-2275079 | Lucknow |
| 43 | Mainpuri | ITO, Aligarh | 05672-234208 | Meerut |
| 44 | Mathura | Addl. CIT, Agra | 0565-2424210 | Kanpur |
| 45 | Mau | ITO, Gorakhpur | 05472-220375 | Allahabad |
| 46 | Meerut | CCIT, Meerut | 0120-2950592 | Meerut |
| 47 | Mirzapur | JCIT, Allahabad | 05442-265652 | Allahabad |
| 48 | Moradabad | CIT, Moradabad | 0591-2413522 | Bareilly |
| 49 | Mujjafarnagar | CIT, Mujjafarnagar | 0131-2630865 | Meerut |
| 50 | Najibabad | ACIT, Moradabad | 01341-224513 | Bareilly |
| 51 | Noida | Addl. CIT, Ghaziabad | 0120-2538023 | Meerut |
| 52 | Pilibhit | ITO Bareilly | 05882-255211 | Bareilly |
| 53 | Pratapgarh | ITO, Faizabad | 05342-220637 | Lucknow |
| 54 | Rae Bareilly | ITO, Faizabad | 0535-2207067 | Lucknow |
| 55 | Rampur | ITO, Moradabad | 0595-2350152 | Bareilly |
| 56 | Roorkee | ITO, Dehradun | 01332-272414 | Dehradun |
| 57 | Sambhal | ITO, Moradabad | 05923-231069 | Bareilly |
| 58 | Sahjahanpur | ITO, Bareilly | 05842-222340 | Bareilly |
| 59 | Shamli | ITO, Muzaffarnagar | 01398-250374 | Meerut |
| 60 | Saharanpur | Addl. CIT, Muzaffarnagar | 0132-2726959 | Meerut |
| 61 | Sitapur | Addl CIT, Bareilly | 05862-243375 | Bareilly |
| 62 | Sultanpur | Addl CIT, Faizabad | 05362-221911 | Lucknow |
| 63 | Unnao | ITO, Lucknow | 0515-2828602 | Lucknow |
| 64 | Varanasi | DCIT, Varanasi | 0542-2508360 | Allahabad |

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## STATION DIRECTORY OF INCOME TAX OFFICES (U.P.)

| | City | ITO/Commissioner | Telephone No. | CCIT |
|---|---|---|---|---|
| 1 | Agra | CIT Agra | 0562-2851290 | Kanpur |
| 2 | Aligarh | CIT Aligarh | 0571-2401301 | Kanpur |
| 3 | Allahabad | CCIT, Allahabad | 0532-2601425 | Allahabad |
| 4 | Auraiya | ITO Agra | 05688-254984 | Kanpur |
| 5 | Azamgarh | DCIT, Gorakhpur | 05462-228243 | Allahabad |
| 6 | Badaun | ITO, Moradabad | 05823-224455 | Bareilly |
| 7 | Bahraich | ITO, Faizabad | 05252-232222 | Lucknow |
| 8 | Ballia | ITO, Varanasi | 05498-220405 | Allahabad |
| 9 | Banda | ITO, Kanpur | 05192-224787 | Kanpur |
| 10 | Barabanki | ITO, Lucknow | 05248-2822646 | Lucknow |
| 11 | Baraut | ITO, Meerut | 01234-252915 | Meerut |
| 12 | Bareilly | CCIT, Bareilly | 0581-2511390, 549 | Bareilly |
| 13 | Basti | ITO, Faizabad | 05542-245268 | Lucknow |
| 14 | Bhadoi | ITO, Varanasi | 05414-25276 | Allahabad |
| 15 | Bijnor | Addl. CIT, Moradabad | 01342-262043 | Bareilly |
| 16 | Bulandshar | DCIT(HQ) Meerut | 05732-280696 | Meerut |
| 17 | Chandausi | ITO, Moradabad | 05921-250132 | Bareilly |
| 18 | Deoband | ITO, Mujjafarnagar | 01336-221300 | Meerut |
| 19 | Deoria | ITO, Gorakhpur | 05568-222541 | Allahabad |
| 20 | Etah | ITO, Aligarh | 05742-233297 | Meerut |
| 21 | Etawah | ITO, Agra | 05688-254984 | Kanpur |
| 22 | Faizabad | CIT, Faizabad | 05278-228278 | Lucknow |
| 23 | Farrukhabad | JCIT, Aligarh | 05692-241399 | Meerut |
| 24 | Fatehpur | ITO, Allahabad | 05180-224522 | Allahabad |
| 25 | Firozabad | Addl. CIT, Agra | 05612-282099 | Kanpur |
| 26 | Ghaziabad | CIT, Ghaziabad | 0120-2714125<br>0120-2756453 | Ghaziabad |
| 27 | Ghazipur | ITO, Varanasi | 0548-220357 | Allahabad |
| 28 | Gonda | Addl CIT, Faizabad | 05262-221197 | Lucknow |
| 29 | Gorakhpur | CIT, Gorakhpur | 0551-2203551 | Allahabad |
| 30 | Hapur | ITO Faizabad | 0122-2318957 | Meerut |
| 31 | Hardoi | ITO, Bareilly | 05852-234834 | Bareilly |
| 32 | Hathras | ITO, Aligarh | 05722-231150 | Meerut |
| 33 | Jaunpur | ITO, Faizabad | 05452-260193 | Lucknow |
| 34 | Jhansi | Addl. CIT, Agra | 0517-2483366 | Kanpur |
| 35 | Kannauj | ITO, Aligarh | 05694-236912 | Meerut |
| 36 | Kanpur | CCIT , Kanpur | 0512-2304475 | Kanpur |



| | | | |
|---|---|---|---|
| | | | anything contained in the proviso to clause (15) of section 2, be deemed to have been (a)established for charitable purposes for the previous year beginning on the 1st day of April, 2008 and ending on the 31st day of March, 2009; (b)approved under said clause (vi) for the previous year beginning on the 1st day of April, 2008 and ending on the 31st day of March, 2009. |
| 80GGB | Contributions given by companies to political parties | 01-04-2010 Ay 2010-11 | Consequential for "electoral trust" |
| 80GGC | Contributions given by any person to political parties. | 01-04-2010 Ay 2010-11 | Consequential for "electoral trust" |
| 80-IA | Deductions in respect of profits and gains from industrial undertakings | | Time limit extended |
| 80IB(9) | Profits and gains from certain industrial undertakings | 01-04-2000 AY 2000-01 | The amount of deduction to an undertaking engaged in refining of mineral oil shall be hundred per cent. of the profits for a period of seven consecutive assessment years, including the initial assessment year, if such undertaking fulfils specified conditions. |

| | | | |
|---|---|---|---|
| | | | Multiple amendments relating to undertaking is engaged in refining of mineral oil, undertaking is engaged in commercial production of natural gas in blocks, undertaking developing and building housing projects etc. |
| 89 | Relief when salary, etc., is paid in arrears or in advance. | 01-04-2010 AY 2010-11 | No relief on voluntary retirement or termination of his service in accordance with any scheme. |
| 90 | Agreement with foreign countries | 01-10-2009 | It confers power upon the Central Government to enter into agreement with the Government of any specified territory outside India in addition to entering into agreement with foreign countries as provided in the said existing section 90. |
| 92C | Computation of arm's length price | 01-10-2009 | Where more than one price is determined by the most appropriate method, the arm's length price shall be taken to be the arithmetical mean of such prices.<br><br>the variation between the arm's length price so determined and price at which the international transaction has actually |



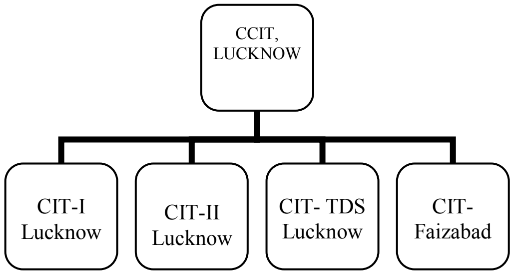
## CIT-II LUCKNOW

| Range IV | |
|---|---|
| **Companies Cases** | **Non Companies cases** |
| Aminabad, Gwyne Road, Kuchehri Road, Golaganj, B. N. Road, Kaiserbagh, Nazirabad, Yahiyaganj, Naka Hindola, Rakabganj, Aishbagh, Paper Mill Colony, Cantt., G. B. Marg, Fatehganj, Charbagh, Ganeshganj, Guru Gobind Singh Marg, Lalkuan, Chhitwapur, Risaldar Park, Maqboolganj, Vidyant Road, Bakshi ka Talab, Y. N. Sanyal Road, Ashok Nagar, Rajajipuram, Alambagh, Kanpur Road, Talkatora Road, Mawaiya, sarojini Nagar and Barabanki | Yahiyaganj, Nakahindola, Rakabganj, Aishbagh, Paper Mill Colony, Cantt., G. B. Marg, Fatehganj, Charbagh, Ganeshganj, Guru Gobind Singh Marg, Lalkuan, Chhitwapur, Risaldar Park, Maqboolganj, Vidyant Road, bakshi ka Talab, Y. N. Sanyal Road, Ashok Nagar, Rajajipuram, Alambagh, Kanpur Road, Talkatora Road, Mawaiya, sarojini Nagar |

| Range-V |
|---|
| **Non Companies Cases:** |
| Aminabad, Gwyne Road, Kuchehri Road, Golaganj, B. N. Road, Kaiserbagh, Nazirabad & Barabanki and all trust cases of above |

| Range-VI |
|---|
| Non Companies Cases: |
| Private/ Non Govt. Salary cases including all other not covered under Range-III |

## JURISDICATION OF CCIT, LUCKNOW




### CIT-I LUCKNOW

| **Range I** (Alphabet A to J) | |
|---|---|
| **Companies Cases** | **Non Companies cases** |
| Chowk, Rajabajar, Bajar Khala, Subhash Marg, Sahadatganj, Asharafabad, Old haiderganj, Hazratganj, Purana Kila, Cantt. Road, Vidhan Sabha Marg, Model House, Station Road, Murli Nagar, Gokhley Marg, Madan Mohan Malviya Marg, Sapru Marg, Hussainganj, Rana Pratap Marg, Shahnajaf Road, Narhi and Lalbagh | Daliganj, Nirala Nagar, Mahanagar, Faizabad Road, Vikas Nagar, Gomti Nagar, Aliganj, Indira Nagar, Sitapur Road, Chinhat, Kursi Road, all Trans Gomti Area and Unnao. |

| **Range-II** (Alphabet K to Z) |
|---|
| **Non Companies Cases** |
| All trust cases of above and Chowk, Rajabajar, Bajarkhala, Subhash Marg, Sahadatganj, nakhhas, Asharfabad, hazratganj, Old Haiderganj, Purana Kila, Cantt. Road, Vidhan Sabha Marg, Model House, Station Road, Murli Nagar, Gokhley Marg, Madan Mohan Malviya Marg, Sapru Marg, Hussainganj, Rana Pratap Marg, Shahnajaf Road, Narhi and Lalbagh |

| **Range-III** |
|---|
| Non Companies cases: Govt. salary (Employees of Central Govt, State Govt., Local Bodies, Public Sector Undertakings) |



| | | | |
|---|---|---|---|
| | | | been undertaken does not exceed five per cent. of the latter, the price at which the international transaction has actually been undertaken shall be deemed to be the arm's length price. |
| 92CB | Safe harbour rules | 01-04-2009 | The determination of arm's length price under section 92C or section 92CA shall be subject to safe harbour rules.<br><br>'Safe harbour' means circumstances in which the income tax authorities shall accept the transfer price declared by the assessee. |
| 115BBC | Anonymous donations to be taxed in certain cases. | 01-04-2010<br>AY 2010-11 | Anonymous donations, to the extent the aggregate of them exceeds five per cent of the total income of the assessee or an amount of rupees one lakh, whichever is higher, would be taken into account for the purposes of aforesaid section. |
| 115JA | MAT | 01-04-1998<br>AY 1998-99 | Provision for diminution in the value of any asset will also be included in the computation of book profit under the said section. |

| | | | |
|---|---|---|---|
| 115JJA | Tax credit | 01-04-2010 AY 2010-11 | C/f increased to 10 years from 7 years. |
| 1115JB | Special provision for payment of tax by certain companies | 01-04-2010 AY 2010-11<br><br>01-04-2001 AY 2001-02 | Rate increased to 15%<br><br>any provision for diminution in the value of any asset will also be included in the computation of book profit. |
| 115O | Tax on distributed profits of domestic companies | 01-04-2009 | No tax on dividend received from New Pension System Trust |
| 115WM | "Chapter XII-H not to apply after certain date". | 01-04-2010 AY 2010-11 | The proposed new section provides that nothing contained in Chapter XII-H relating to FBT shall apply in respect of any assessment for the assessment year commencing on 1st April, 2010 or any subsequent year. |
| 131 | Power regarding discovery, production of evidence, etc. | 01-10-2009 | Dispute Resolution Panel included.<br><br>the assessee shall file his objections among others to the Dispute Resolution Panel against the draft of the proposed order of assessment of Assessing Officer. |
| 132 | Search and seizure | 01-10-1998 | It is proposed to amend the said sub-section so as to clarify that Addl Director or Addl Commissioner had always the power to issue warrant of |



10. *In the case of an employer engaged in the business of carriage of passengers or goods by motor car, 5% shall be substituted for 20%.*
11. *In the case of an employer engaged in the business of carriage of passengers or goods by aircraft, 'Nil' shall be substituted for 20%.*

*(i) any expenditure on, or payment for, food or beverage provided by the employer to his employees in office or factory;*
*(ii) any expenditure on, or payment through paid vouchers which are not transferable and usable only at eating joints or outlets.*
*(iii) any expenditure on or payment through non transferable pre-paid electronic meal card usable only at eating joints and which fulfills prescribed conditions.*

3. *In the case of an employer engaged in the business of hotel 5% shall be substituted for 20%. In addition to this, in the case of an employer engaged in the business of carriage of passengers or goods by aircraft or by ship 5% shall be substituted for 20%*
4. *For the purposes of this clause, any expenditure on conveyance, tour and travel (including foreign travel), on hotel or boarding and lodging in connection with any conference shall be deemed to be expenditure incurred for the purposes of conference.*
5. *The following expenditure on advertisement shall not be considered as expenditure on sales promotion including publicity -*
*(i) the expenditure (including rental) on advertisement of any form in any print (including journals, catalogues or price lists) or electronic media or transport system,*
*(ii) the expenditure on the holding of, or the participation in any press conference or business convention, fair or exhibition,*
*(iii) the expenditure on sponsorship of any sport event or any other event organized by any Government agency or trade association or body,*
*(iv) the expenditure on the publication in any print or electronic media of any notice required to be published by or under any law or by an order of a court or Tribunal,*
*(v) the expenditure on advertisement by way of signs, art work, painting, banners, awnings, direct mail, electric spectaculars, kiosks, hoardings, bill boards or by way of such other medium of advertisement,*
*(vi) the expenditure by way of payment of any advertising agency for the purposes of clauses (i) to (v) above.*
*(vii) the expenditure on distribution of free samples of medicines or of medical equipment, to doctors (not to be considered as expenditure on sales promotion, including publicity for assessment year 2007-08 and subsequent assessment years).*
*(viii) the expenditure by way of payment to any person of repute for promoting the sale of goods or services of the business of the employer (not to be considered as expenditure on sales promotion, including publicity for assessment year 2007-08 and subsequent assessment years).*
6. *For the purposes of this clause, any expenditure incurred or payment made to fulfil any statutory obligation or mitigate occupational hazards or provide first aid facilities in the hospital or dispensary run by the employer shall not be considered as expenditure for employees' welfare*
Expenditure incurred or payment made to (i) provide crèche facility for the children of employee, (ii) sponsor a sportsman being an employee, (iii) organize sport events for employees shall also not be considered.
7. *In the case of an employer engaged in the business of construction, or in the business of manufacture or production of pharmaceuticals or computer software, 5% shall be substituted for 20%.*
8. *In the case of an employer engaged in the business of manufacture or production of pharmaceuticals or computer software, 5% shall be substituted for 20%. Besides, in the case of an employer engaged in the business of carriage of passengers or goods by aircraft or by ship 5% shall be substituted*

09. *In the case of an employer engaged in the business of carriage of passengers or goods by motor car, 5% shall be substituted for 20%. Also In the case of an employer engaged in the business of carriage of passengers or goods by aircraft, 'Nil' shall be substituted for 20%.*



| | | | |
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| | | | authorisation for conducting search and seizure under the said section.<br><br>Also clarified that Joint Director and Joint Commissioner had always the power to issue warrant of authorisation for conducting search and seizure under the said section.<br><br>No authorisation shall be issued by the Additional Director or Addl Commissioner or Joint Director or Joint Commissioner on or after 1st October, 2009 unless he has been empowered by the Board to do so. |
| | | 01-06-1994 | It is also proposed to amend sub-section (1A) of said section so as to clarify that Additional Director or Addl Commissioner had always the power to issue warrant of authorisation for conducting search and seizure under the said section. |
| | | 01-10-1998 | It is also proposed to amend the said sub-section so as to provide that Joint |

| | | | |
|---|---|---|---|
| | | | Director and Joint Commissioner had always the power to issue warrant of authorisation for conducting search and seizure under the said section. |
| 132A(1) | Powers to requisition books of account, etc | 01-06-1994 | Addl Director or Addl Commissioner also authorised to exercise the powers specified in the said section. |
| 139A | PAN | 01-10-2009 | PAN to be quoted by deductors in all statements apart from quarterly statements. |
| 140(cd) | Return by whom to be signed | 01-04-2010 AY 2010-11 | In the case of a limited liability partnership, the return shall be signed and verified by the designated partner and where for any unavoidable reason the designated partner is not able to sign the return or where there is no designated partner by any other partner. |
| 143 (1B) | Assessment | 01-04-2009 | It is proposed to amend sub-section (1B) to allow Central Govt. to make modifications to the provisions of the Act relating to processing the returns from 31st March, 2009 to 31st March, 2010 |



## FRINGE BENEFIT VALUE RATES AY 2009-10

| Sl. No | Section | Nature of expenditure /payment | Value of fringe benefits % |
|---|---|---|---|
| 01 | *115WB(1)(b)* | ***Free or concessional ticket provided by the employer for private journeys of his employees or their family members*** | ***100%*** |
| 02 | *115WB(1)(c)* | ***Any contribution by the employer to any approved Superannuation fund for employees*** | ***100%*** |
| 03 | *115WB(1)(d)* | ***Security or sweat equity shares allotted free or at concessional rates to employee*** | |
| 04 | *115WB(2)(A)* | ***Entertainment*** | ***20%*** |
| 05 | *115WB(2)(B)* | ***Provision of Hospitality of every kind by the employer to any person*** | ***20% Note 2*** |
| 06 | *115WB(2)(C)* | ***Conference (other than fee for participation by the employees in any conference*** | ***20% Note 4*** |
| 07 | *115WB(2)(D)* | ***Sales promotion including publicity*** | ***20% Note-5*** |
| 08 | *115WB(2)(E)* | ***Employees' Welfare*** | ***20% Note 6*** |
| 09 | *115WB(2)(F)* | ***Conveyance*** | ***20% Note 7& 8*** |
| 10 | *115WB(2)(G)* | ***Use of hotel, boarding and lodging facilities*** | ***20% Note 8 & 9*** |
| 11 | *115WB(2)(H)* | ***Repair, running (including fuel), maintenance of motor cars and the amount of depreciation thereon*** | ***20% Note 10*** |
| 12 | *115WB(2)(I)* | ***Repair, running (including fuel) and maintenance of aircrafts and the amount of depreciation thereon*** | ***20% Note 11*** |
| 13 | *115WB(2)(J)* | ***Use of telephone (including mobile phone) other than expenditure on leased telephone lines*** | ***20%*** |
| 14 | *115WB(2)(K)* | ***Maintenance of any accommodation in the nature of guest house other than accommodation used for training purposes*** | ***Omitted*** |
| 15 | *115WB(2)(L)* | ***Festival celebrations*** | ***20%*** |
| 16 | *115WB(2)(M)* | ***Use of health club and similar facilities*** | ***50%*** |
| 17 | *115WB(2)(N)* | ***Use of any other club facilities*** | ***50%*** |
| 18 | *115WB(2)(O)* | ***Gifts*** | ***50%*** |
| 19 | *115WB(2)(P)* | ***Scholarships*** | ***50%*** |
| 20 | *115WB(2)(Q)* | ***Tour and Travel (including foreign travel)*** | ***5%*** |

**Notes:**

1. *The value of fringe benefits in respect of contribution by the employer to an approved superannuation fund shall be the amount of contribution which exceeds one lakh rupees in respect of each employee.*
2 *Expenditure on hospitality does not include the following:-*

| | | | | | |
|---|---|---|---|---|---|
| 194H | Commission or Brokerage > Rs.2,500 | 10 (upto 31/05/07 – 5%) | 10 | -do- | 26Q |
| 194I | Rent paid for<br>a. Land<br>b. Buildings<br>c. Land appurtenant to a building(including factory building)<br>d. Plant & Machinery<br>e. Equipment<br>f. Furniture & Fittings<br>> Rs.1,20,000 | 15(Individual & HUF)<br>20(Others) | 20 | -do- | 26Q |
| 194J | Professional/Technical charges/Royalty & Non-compete fees > Rs.20,000 | 10 (upto 31/05/07 – 5%) | 5 | -do- | 26Q |
| 194LA | Compensation on acquisition of immovable property > Rs.1,00,000 w.e.f.01/10/2004 | 10 | 10 | -do- | 26Q |
| 195 | Payment to non-residents | Rates in force | Rates in force | -do- | 27Q |

NOTES :

1. Where income referred in Sections 193, 194A, 194C, 194D, 194G, 194H, 194I & 194J is credited to account of payee as on date up to which accounts are made, TDS has to be deposited in Government Account within 2 months from the end of the month in which the date falls.
2. Where the aggregate of the amounts paid/credited or likely to be paid/credited exceeds Rs.50,000 during the financial year, TDS has to be made. Also where any sum credited/paid or likely to be credited/paid to Contactor or Sub-contractor exceeds Rs.20,000, TDS is to be made.
3. An Individual or a Hindu Undivided Family whose total sales, gross receipts or turnover from business or profession carried on by him exceeds the monetary limits under Clause (a) or (b) of Sec.44AB during the preceding financial year shall also be liable to deduct tax u/s.194A,194C, 194H, 194I & 194J.



| | | | |
|---|---|---|---|
| 144C | Dispute Resolution Panel | 01-10-2009 | To provide speedy disposaltransfer pricing audit and the taxation of foreign companies, it is proposed toform an alternative dispute resolution mechanism within the income-tax department |
| 145A | Method of accounting in certain cases. | 01-04-2010<br>AY 2010-11 | Provided that the interest received by an assessee on compensation or on enhanced compensation, as the case may be, shall be deemed to be the income of the year in which it is received. |
| 147 | Income escaping assessment | 01-04-1989<br>AY 1989-90 | Assessing Officer may assess or reassess income in respect of any issue which has escaped assessment and such issue comes to his notice subsequently in the course of the proceedings under this section, notwithstanding that the reasons for such issue have not been included in the reasons recorded under sub-section (2) of section 148. |
| 167C | Liability of partners of LLP in liquidation | 01-04-2010<br>AY 2010-11 | Where any tax is due from a limited liability partnership in respect of any income of any previous year or from any other person in |

| | | | |
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| | | | respect of any income of any previous year during which such other person was a limited liability partnership cannot be recovered, then, every person who was a partner of the limited liability partnership at any time during the relevant previous year shall be jointly and severally liable for the payment of such tax unless he proves that the nonrecovery cannot be attributed to any gross neglect, misfeasance or breach of duty on his part in relation to the affairs of the limited liability partnership. |
| 194A | Interest other than “interest on securities | 01-04-2009 | It is proposed to amend the said clause (x) of sub-section (3) of section 194A so as to include “scheduled bank” after “public sector company”. The proposed amendment is consequential in nature. |
| 194C | Payment to contractors and sub-contractors. | 01-10-2009 | Substitution of section 194C:<br><br>Any person shall deduct tax at source at the rate of one per cent. if the payee is an individual or a Hindu |



## TDS CHART AY 2009-10

For changes proposed for AY 2010-11, refer to chapter 5.5 Clause 12

| Section | Nature of Payment | Rate % NonCompany | Rate % Company | Due Date of deposit | Qtrly. Return |
|---|---|---|---|---|---|
| 192 | Salaries | Average rate | - | Within the 7th of the next month | 24Q |
| 193 | Interest on Securities > Rs.10,000(upto 31/05/07 Rs. 2,500) | 10 | 20 | -do- | 26Q |
| 194A | Interest other than Interest on securities > Rs.10,000 (upto 31/05/07 > Rs.5,000) | 10 | 20 | -do- | 26Q |
| 194B | Lottery / Cross Word Puzzle > Rs.5,000 | 30 | 30 | -do- | 26Q |
| 194BB | Winnings from Horse Race > Rs.2,500 | 30 | 30 | -do- | 26Q |
| 194C(1) | Contracts > Rs.20,000) | 2 | 2 | -do- | 26Q |
| 194C(2) | Sub-contracts/Advertisements > Rs.20,000 | 1 | 1 | -do- | 26Q |
| 194D | Insurance Commission > Rs.5,000 | 10 | 20 | -do- | 26Q |
| 194EE | Refund of NSS > Rs.2,500 | 20 | - | On the day of deduction itself | 26Q |
| 194F | Repurchase of units by MF/UTI | 20 | - | Within the 7th of the next month | 26Q |
| 194G | Commission on sale of lottery tickets > Rs.1,000 | 10 | 10 | -do- | 26Q |

## DEPRECIATION RATES

The following are the prime depreciation rates under the Income Tax Act for the financial year 2008-2009 & 2009-2010

| Sl No. | Asset | Rate % |
|---|---|---|
| 01 | **Building:**<br>Residential<br>Factory | <br>05<br>10 |
| 02 | General Plant & Machinery | 15 |
| 03 | Motor Car | 15 |
| 04 | Motor Buses/Lorries Used In Hire | 30 |
| 05 | Computers including Software | 60 |
| 06 | Furniture | 10 |
| 07 | Ptents, Know-how, copyrights, licenses etc. | 25 |

## INCOME TAX RATES
(Other than individuals and HUF)

Effective Income tax rate for the financial year 2008-2009 & 2009-2010

| Sl. No. | Person / Assessee | 2008-09 | 2009-10 | Surcharge |
|---|---|---|---|---|
| 1 | Partnership firms | 30% | 30% | 10% |
| 2 | Domestic Company | 30% | 30% | 10% |
| 3 | Foreign Company | 30% | 30% | 2.5% |
| 4 | Local Authority | 30% | 30% | Nil |
| 5 | **Co-operative society** | | | |
| | Income up to Rs 10,000/- | 10% | 10% | Nil |
| | Rs 10,000 to Rs 20,000/- | 20% | 20% | Nil |
| | Rs 20,000 and above | 30% | 30% | Nil |

Note:
1. Surcharge will be livable on asessee mentioned above if income exceeds Rs 1.00 crore.(excluding firms for FY 2009-10).
2. An education cess of 2% + Secondary & Higher Education Cess of 1% shall be charged over and above the tax and surcharge.



| | | | |
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| | | | undivided family or at the rate of two per cent. in the case of any other person, on payment to a resident contractor for carrying out any work.<br><br>If the sum is credited to suspense account, etc., then also tax at source needs to be deducted.<br><br>If the sum is paid or credited for carrying out any worktax shall be deducted at source on the invoice value excluding the value of material.<br><br>No deduction in case of payment for plying, hiring or leasing goods carriages provided that the contractor provides his PAN.<br><br>The work shall not include manufacturing or supplying a product according to the requirement or specification of a customer by using material purchased from a person other than such customer. |
| 194I | TDS on rent | 01-10-2009 | Deduction shall be at the rate of:<br>(a) two per cent. for the |

| | | | |
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| | | | use of any machinery or plant or equipment; And<br><br>(b) ten per cent. for the use of any land or building (including factory building) or land appurtenant to a building (including factory building) or furniture or fittings. |
| 197A | No deduction to be made in certain cases | 01-04-2009 | No deduction shall be made from any payment to any person for, or on behalf of, the New Pension System Trust. |
| 200 | Person deducting tax. | 01-10-2009 | Submission of statements. |
| 200A | Processing of statements of tax deducted at source | 01-04-2010 | New Section to define procedures. |
| 201 | Consequences of failure to deduct or pay | 01-04-2010 | Time limit for passing of order |
| 203A | TAN and TCA. | 01-10-2009 | consequential amendment |
| 206A | Furnishing quarterly return in respect of payment of interest to residents without deduction of tax. | 01-10-2009 | consequential amendment |
| 206AA | Requirement to furnish PAN | 01-04-2010 | New Section:<br><br>Failure to provide PAN shall attract TDS at the rate mentioned in the relevant provisions of the Act or at the rate in force or at the rate of twenty per cent., |



## COST INFLATION INDEX (CII)

**Chart showing Cost Inflation Index for Long Term Capital Gain purpose from Financial Year 1981-82**

| Sl.No | Financial Year | CII | Sl.No | Financial Year | CII |
|---|---|---|---|---|---|
| 01 | 1981-82 | 100 | 15 | 1995-96 | 281 |
| 02 | 1982-83 | 109 | 16 | 1996-97 | 305 |
| 03 | 1983-84 | 116 | 17 | 1997-98 | 331 |
| 04 | 1984-85 | 125 | 18 | 1998-99 | 351 |
| 05 | 1985-86 | 133 | 19 | 1999-00 | 389 |
| 06 | 1986-87 | 140 | 20 | 2000-01 | 406 |
| 07 | 1987-88 | 150 | 21 | 2001-02 | 426 |
| 08 | 1988-89 | 161 | 22 | 2002-03 | 447 |
| 09 | 1989-90 | 172 | 23 | 2003-04 | 463 |
| 10 | 1990-91 | 182 | 24 | 2004-05 | 480 |
| 11 | 1991-92 | 199 | 25 | 2005-06 | 497 |
| 12 | 1992-93 | 223 | 26 | 2006-07 | 519 |
| 13 | 1993-94 | 244 | 27 | 2007-08 | 551 |
| 14 | 1994-95 | 259 | 28 | 2008-09 | 582 |

**Example:**

Date of Transfer /Sale = 15-02-2009
Sale Consideration = 2 lacs
Cost of acquisition = 1.00 lacs
Date of acquisition = 16-03-2002
Indexed Cost would be: 1.00 x(582/426) = 1.366 lacs

## NSC INTEREST TABLE

| Accrued Interest per year on investment of Rs. 100/- (To take benefit of Income Tax Act under section 80C) | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Year** | **Period of Investment** | **Till 31/12/98** | **1/1/99 to 14/1/00** | **15/1/00 to 28/2/01** | **1/3/01 to 28/2/02** | **1/3/02 to 28/2/03** | **After 1/3/03** |
| | Interest Rate % | 12.00 | 11.50 | 11.00 | 09.50 | 09.00 | 08.00 |
| 1 | | 12.40 | 11.83 | 11.30 | 09.72 | 09.20 | 08.16 |
| 2 | | 13.90 | 13.23 | 12.58 | 10.67 | 10.05 | 08.83 |
| 3 | | 15.60 | 14.80 | 14.00 | 11.71 | 10.97 | 09.55 |
| 4 | | 17.50 | 16.54 | 15.58 | 12.85 | 11.98 | 10.33 |
| 5 | | 19.70 | 18.51 | 17.35 | 14.10 | 13.10 | 11.17 |
| 6 | | 22.40 | 20.69 | 19.31 | 15.47 | 14.29 | 12.08 |
| 7 | Total Interest | 111.50 | 95.60 | 90.12 | 74.52 | 69.59 | 60.12 |
| Maturity Amount with Interest | | 201.50 | 195.60 | 190.12 | 174.52 | 169.59 | 160.10 |

**Example:**

1. Investment date = 26-02-2003
   Investment Amount = 5000/-

   The Amount of interest to be taken for deduction u/s 80C for the AY 2009-10 would be = 5000 x (14.29/100) = 714.50

2. Investment date = 16-03-2003
   Investment Amount = 5000/-

   The Amount of interest to be taken for deduction u/s 80C for the AY 2009-10 would be = 5000 x (12.08/100) = 604/-



| | | | |
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| | | | whichever is higher |
| 206C | Profits and gains from the business of trading in alcoholic liquor, forest produce, scrap, etc. | 01-10-2009 | Furnishing of statements |
| 208 | Liability to pay advance tax. | 01-04-2009 | Limit extended to Rs. 10000/- from Rs. 5000/- |
| 246A | Appeal filed before Commissioner (Appeals) | 01-10-2009 | The proposed amendment seeks to exclude any order passed under sub-section (3) of section 143 in pursuance of directions of the Dispute Resolution Panel as an appealable order before Commissioner (Appeals) |
| 253 | Appellate Tribunal | 01-10-2009 | The amendment is consequential in nature. |
| 271 | Penalties imposable for failure to furnish returns, comply with notices, concealment of income, etc. | 01-06-2007 | Where the return of income for such previous year has been furnished before the said date but such income has not been declared therein, in such case the assessee shall, for the purposes of imposition of a penalty under clause (c) of sub-section (1) of this section, be deemed to have concealed the particulars of his income or furnished inaccurate particulars of such income. |

| | | | |
|---|---|---|---|
| 272A | Penalty for failure to answer questions, sign statements, furnish information, returns or statements, allow inspections, etc. | 01-10-2009 | consequential amendment |
| 281B | Provisional attachment to protect revenue | 01-04-1988 AY 1988-89 | That the period during which the proceedings for assessment or re-assessment are stayed by an order or injunction from any court shall be excluded from the period of operation of the provisional attachment order specified in the first proviso of the aforesaid sub-section. |
| 282 | Service of notice | 01-10-2009 | the service of notice or summon or requisition or order or any other communication may be made by delivering or transmitting a copy thereof by post or courier service or in such manner as provided in the Code of Civil Procedure, 1908 (5 of 1908) for the purposes of service of summons; or in the form of any electronic record as provided in Chapter IV of the Information Technology Act, 2000; or by any other means of transmissions as may be provided by rules made by the Board in |



## MAINTENANCE OF ACCOUNTS

1. **In the instances of the following profession, maintenance of books of accounts is compulsory:**
   - Legal
   - Medical *(Form 3C has been prescribed as a Daily Case Register)*
   - Engineering
   - Architectural
   - Accountancy
   - Technical Consultancy
   - Interior Decoration
   - Profession of Information Technology
   - Company Secretary
   - Authorised representative, and
   - Film Artist

2. **Other than above, maintenance of books of accounts is compulsory if:**

   (a) If income exceeds 1.20 lacs or the turnover exceeds 10.00 lacs in any three year preceding the previous year , or
   (b) in the first year of the business, the turnover or income is expected to cross the above limit, or
   (c) Profit claimed in the following businesses is lower than the deeming provisions:
   - Profits and gains of business on presumptive basis u/s 44AD
   - Playing, Hiring or Leasing Goods Carriage u/s 44AE
   - Retail Buisness U/s 44AF (not applicable w.e.f 01.04.2009)

| | | | |
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| 44AA | Avoidance or relief of double taxation with respect to wealth-tax. | 01-10-2009 | Under the existing provision, power has been conferred upon the Central Government to enter into an agreement with the Government of any reciprocating country outside India for granting of relief in respect of wealth-tax payable under the said Act and the corresponding law in force in that reciprocating foreign country.<br><br>It is proposed to amend the *Explanation* to the said section so as to confer power upon the Central Government to enter into agreement with the Government of any territory outside India, which may be notified by the Central Government, in addition to entering into agreement with foreign countries as provided in the said existing section 44A. |



| | | | |
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| | | | this behalf.<br><br>It is also proposed that the Board may make rules providing for the addresses (including the address for electronic mail or electronic mail message) to which such communication may be delivered. |
| 282B | Document Identification Number. | 01-10-2010 | Every income tax authority shall allot a computer generated Document Identification Number in respect of every notice, order, letter or any correspondence issued by him.<br><br>every document, letter or any correspondence, received by an income-tax authority or on behalf of such authority, shall be accepted only after allotting and quoting of a computer generated Document Identification Number. |
| 293C | Power to withdraw the approval | 01-10-2009 | income-tax authority, who has been conferred upon the power under any provision of this Act to grant any approval to any assessee, may after giving an |

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| | | | opportunity of being heard withdraw such approval at any time, although such provision to withdraw such approval has not been specifically, provided for in such provision. |
| Rule 5 First Schedule of the Income-tax Act, | Computation of profits and gains of non-life insurance business. | | Profits and gains of any business of insurance other than life insurance shall be taken to be the profit before tax and appropriations as disclosed in the profit and loss account prepared in accordance with the provisions of the Insurance Act, 1938 or rules made thereunder or the Insurance Regulatory and Development Authority Act, 1999 or regulations made thereunder, subject to the adjustments mentioned in clause (a), clause (c) of aforesaid rule 5 and the newly inserted clause (b), which provides that adjustment shall be made by way of deduction in respect of any amount either written off or provided in the accounts to meet diminution in or loss on realization of |



| | | | |
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| | | | investments in accordance with the regulations prescribed by Insurance Regulatory and Development Authority. Adjustment shall also be made by way of increase in respect of any amount taken credit for in the accounts on account of appreciation of or gains on realization of investments in accordance with the regulations prescribed by Insurance Regulatory and Development Authority. |

## WEALTH TAX

| | | | |
|---|---|---|---|
| 3 | Charge of wealth tax. | 01-04-2010 | Wealth-tax will be charged in respect of the net wealth on the corresponding valuation date at the rate of one per cent of the amount by which the net wealth exceeds **thirty lakh** rupees. |