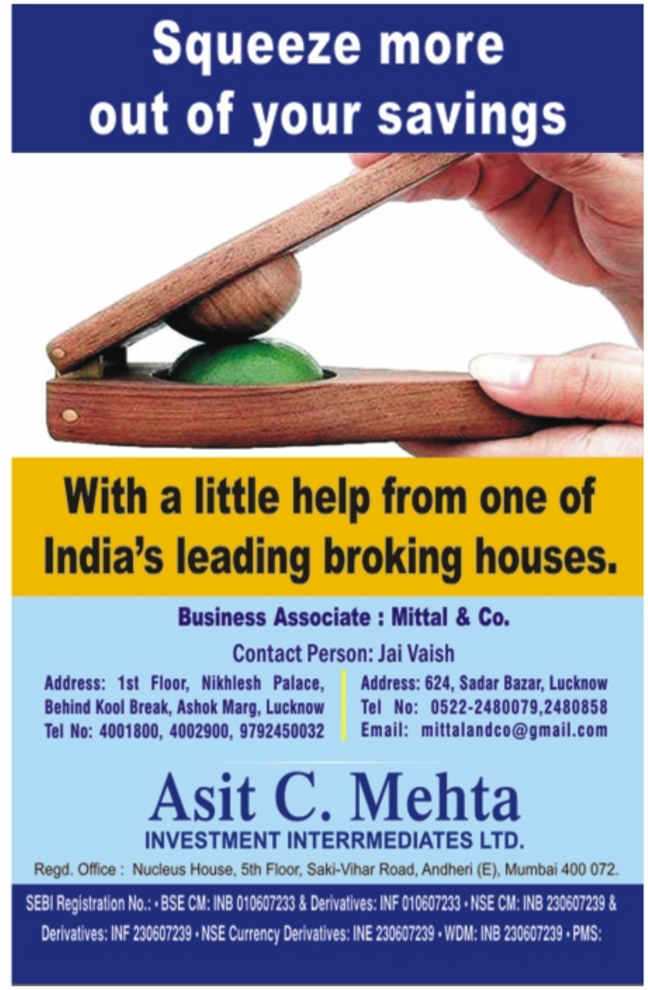
LUCKNOW CHARTERED ACCOUNTANTS CLUB

Budget 2010-11

Direct Tax Changes plus Ready Reckoner

Decoding the Budget Cube

CONTENTS



Squeeze more
out of your savings
With a little help from one of
India's leading broking houses.
Business Associate : Mittal & Co.
Contact Person: Jai Vaish
Address: 1st Floor, Nikhlesh Palace, Behind Kool Break, Ashok Marg, Lucknow
Tel No: 4001800, 4002900, 9792450032
Address: 624, Sadar Bazar, Lucknow
Tel No: 0522-2480079,2480858
Email: mittalandco@gmail.com
Asit C. Mehta
INVESTMENT INTERRMEDIATES LTD.
Regd. Office : Nucleus House, 5th Floor, Saki-Vihar Road, Andheri (E), Mumbai 400 072.
SEBI Registration No.: • BSE CM: INB 010607233 & Derivatives: INF 010607233 • NSE CM: INB 230607239 & Derivatives: INF 230607239 • NSE Currency Derivatives: INE 230607239 • WDM: INB 230607239 • PMS:

MESSAGE FROM THE TEAM

Dated: 26th Feb, 2010

Dear Friends,

I am happy to introduce the Budget Publication: 2010-11 of Lucknow Chartered Accountants Club (LCAC). This is the third successive publication of its kind by the Club. This Booklet targets our valued colleagues and especially public at large for a better understanding and practical application.

Budget is a lengthy document running into hundreds of pages and one has to plough and dig the information relevant for use. This is what exactly we have attempted to do for you. Even in this cyber age when machine readable materials are becoming favourite and hand books are going out of shelf, we believe this boklet will find its place in your hands.

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 machine-readable 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

We 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 all for your continued appreciation and support.

Team
Lucknow Chartered Accountants Club

ABOUT LUCKNOW CHARTERED ACCOUNTANTS CLUB

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 aimed at augmenting its resources and strength, developing and establishing a good relations among members and organizing get-togethers among members. Recreation Centre at Aliganj, Lucknow is just one of the gestures for promoting its objectives.

The Budget Discussions that were held among members has provided useful inputs for this Budget Booklet.

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

Sl No	Name	Contact
01	CA Ashutosh Lohani	9415464475
02	CA Ravi Agarwal	9415542942
03	CA Saurabh Pratap Singh	9839874068
04	CA Ashutosh Kumar Gupta	9335123350
05	CA Mahaveer Agarwal	9415520995
06	CA Tushar Nagar	9839021599
07	CA Praveen Kumar Santoshi	9236187958
08	CA Rupak Agarwal	9839125100

FINANCE MINISTERS OF INDIA

 Pranab Mukherjee (1982-1985, Feb 2009-May 2009, May 2009-Continuing)	 Manmohan Singh (1991-1997, Dec 2008-Jan 2009)	 P. Chidambaram (1996-1997, May 2004-Nov 2009)	 Jaswant Singh (2003-2005)	 Yashwant Sinha (1998-2003, 1991-1992 (I))
 Madhu Dandavate (1990-1991)	 S.B. Chavan (1989-1990)	 N. D. Tiwari (1988-1989)	 Rajiv Gandhi (1987-1988)	 V. P. Singh (1985-1987)
 Ramaswamy Venkataraman (1980-1982)	 Choudhary Charan Singh (1979-1980)	 H. M. Patel (1977-1979)	 C. Subramaniam (1975-1977)	 Yashwantrao Chavan (1971-1975)
 Indira Gandhi (1970-1971)	 Morarji Desai (1967-1970, 1959-1964)	 Sachindra Chaudhuri (1965-1967)	 T. T. Krishnamachari (1964-1965, 1957-1958)	 Jawaharlal Nehru (1958-1959)
 Chintamanrao Deshmukh (1951-1957)	 John Mathai (1949-1951)	 R. K. Shanmukham Chetty (1947-1949)		

HIGHLIGHTS

SERVICE TAX

1. New Services brought under Service Tax

(a) Service of granting the right or permitting commercial use or exploitation of any event including an event relating to art, entertainment, business, sports or marriage organized by a person or organization.

65[zzzzr]

(b) Transferring or permitting the use of Copyrights on (a) cinematographic films and (b) sound recording. However, original literary, dramatic, musical and artistic work would continue to remain outside the scope of service tax.

65[zzzzt]

(c) Service tax on the following health services by any hospital, nursing homes or multi specialty clinic:

(i) Health check up or preventive care undertaken for the employees of business entities;

(ii) Health services provided under health insurance schemes offered by insurance companies.

Provided the payment for such health check up or preventive care etc. is made directly by the business entity or the insurance company to the hospital or medical establishment.

65[zzzzo]

(d) Service provided for storing, keeping or maintaining medical records of employees of a business entity.

65[zzzzp]

(e) Service provided by Electricity Exchanges approved by Central Electricity Regulatory Commission in relation to trading, processing, clearing or settlement of spot contracts, term ahead contracts, seasonal contracts, derivatives or any other electricity related contract;

65[zzzzs]

(f) Certain additional services provided by a person authorized or by a builder of a residential or commercial complex to a buyer for providing preferential location or internal development of complexes on extra charges over and above the basic sale price. However, service of providing vehicle-parking space is out of the ambit

65[zzzzu]

(g) Service under a contract of promoting or marketing of a brand of goods, service, event or endorsement of name, including a trade name, logo or house mark of a business entity by appearing in advertisement and promotional event or carrying out any promotional activity for such goods, service or event.

Here "brand" would include symbol, monogram, label, signature or invented words which indicate connection with the said goods, service, event or business entity;

65[zzzzo]

(h) The promotion, marketing, organising or in any other manner assisting in organising games of chance, including lottery, Bingo or Lotto in whatever form or by whatever name called, whether or not conducted through internet or other electronic networks is being introduced as a separate service.

65[zzzzn]

Consequently, the Explanation in provision relating to Business Auxiliary Service is being deleted.

The above changes will come into effect from a date to be notified, after the enactment of Finance Bill, 2010.

2. Scope of following services expanded/ altered:

(a) The scope of air passenger transport service is being expanded to include domestic journeys, and international journeys in any class.

65[zzzzo]

(b) At present, in the case of Information Technology Software Service the levy of tax is limited only to cases where IT software is used for furtherance of business or commerce. The scope of the taxable service is being expanded to cover all cases irrespective of its use.

65[zzzze]

(c) In the case of ‘Commercial training or coaching’ service, an Explanation is being added to clarify that the term ‘commercial’ in the context of this service shall include any centre or institute, by whatever name called, where training or coaching is imparted for consideration, whether or not such centre or institute is registered as a trust or a society or similar other organization under any law for the time being in force and carrying on its activity with or without profit motive and the expression “commercial training or coaching” shall be construed accordingly

This change is being given retrospective effect from 01.07.2003.

65[zzc]

(d) In the definition of ‘Sponsorship Service’, the exclusion relating to sponsorship pertaining to sports is being removed.

65[zzzn]

(e) In the ‘Construction of complex service’, it is being provided that unless the entire consideration for the property is paid after the completion of construction (i.e. after receipt of completion certificate from the competent authority), the activity of construction would be deemed to be a taxable service provided by the builder/promoter/developer to the prospective buyer and the service tax would be charged accordingly.

65[zzzh]

(f) Amendments are being made in the definition of the ‘Renting of immovable property service’ to,-
- (i) provide explicitly that the activity of ‘renting’ itself is a taxable service. The change has been given retrospective effect from 01.06.2007; and
- (ii) levy service tax on rent of vacant land where there is an agreement or contract between the lessor and lessee for undertaking construction of buildings or structures on such land for furtherance of business or commerce during the tenure of the lease.

65[zzzz]

(g) Definitions of ‘Airport Services, ‘Port services’ and ‘Other port services’ are being amended to provide that,-
- (i) all services provided entirely within the airport/port premises would be classified under these services; and
- (b) an authorization from the airport/port authority would not be a pre-condition for taxing these services.

(h) An explanation is being added in ‘Auctioneer’s service’ to clarify that the phrase ‘auction by government’ means the government property being auctioned by any person acting as auctioneer and not when the government acts as an auctioneer for sale of the private property.

65[zzzr]

(i) Definition of ‘Management of Investment under ULIP Service’ is being amended to provide that the value of the taxable service for any year of the operation of policy shall be the actual amount charged by the insurer for management of funds under ULIP or the maximum amount of fund management charges fixed by the Insurance Regulatory and Development Authority (IRDA), whichever is higher.

65[zzzzf]

The above changes will come into effect from a date to be notified after the enactment of Finance Bill, 2010.

3. Exemptions

(a) Statutory taxes charged by the foreign governments are being excluded from taxable value for levy of service tax under the Air passenger transport service.

(b) Exemption from service tax is being provided to services relating to ‘Erection, Commissioning or Installation’ of,-
(a) Mechanized Food Grain Handling Systems etc.;
(b) Equipment for setting up or substantial expansion of cold storage; and
(c) Machinery/equipment for initial setting up or substantial expansion of units for processing of agricultural, apiary, horticultural, dairy, poultry, aquatic, marine or meat products.

(c) Pre-packaged I.T. software, with the license for right to its use, is being exempted from service tax, subject to specified conditions.

(d) At present exemption from service tax is available to transport of fruits, vegetables, eggs or milk by road by a goods transport agency. The scope of exemption is being expanded to include food grains and pulses in the list of exempted goods.

(e) Exemption from service tax is being provided to Indian news agencies under ‘Online Information and Database Retrieval Service’ subject to specified conditions.

(f) Exemption from service tax is being provided to the ‘Technical Testing and Analysis Service’ and ‘Technical Inspection and certification service’ provided by Central and State seed testing laboratories, and Central and State seed certification agencies.

(g) Exemption from service tax is being provided to the transmission of electricity.

The above changes will come into effect immediately.

4. Withdrawal/Amendment of Exemptions:

(a) Exemption from service tax on ‘Service provided in relation to transport of goods by rail’ is being withdrawn. The levy will come into effect from 01.04.2010.

(b) Exemption from service tax, presently available to Group Personal Accident Insurance Scheme provided by Govt. of Rajasthan to its employees, under General Insurance Service is being withdrawn.

(c) The exemption from service tax on ‘Commercial training or coaching service’ is being restricted to vocational training courses in the designated Trades notified under the Apprentices Act, 1961.

The above changes, except at S. No.1, will come into effect immediately.

5. Amendments in rules and notifications:

(a) Export of Services Rules, 2005 and Taxation of Services (Provided from Outside India and Received in India) Rules, 2006 are being amended so as to move some of the specified taxable services from one category to another.

(b) In the Export of Services Rules, 2005, the condition prescribed i.e. ‘such service is provided from India and used outside India’ is being deleted.

(c) Notification No. 1/2002-ST dated 01.02.2002 is being superseded by another notification to provide that the construction and operation of installations, structures and vessels for the purposes of prospecting or extraction or production of mineral oils and natural gas in the Exclusive Economic Zone and the Continental Shelf of India and for supply of any goods connected with these activities would be within the purview of the provisions of Chapter V of Finance Act, 1994. Suitable changes are being made in the Export of Services Rules, 2005 and Taxation of Services (Provided from Outside India and Received in India) Rules, 2006.

(d) Notification No. 5/2006-CE (NT) is being amended and given partial retrospective effect to remove the bottlenecks in refund of accumulated credit to the exporters.

The above changes will come into effect immediately.

6. Budget Notifications:

http://10.1.3.33/budget-notfns2010-11.htm

HIGHLIGHTS

INCOME TAX & WEALTH TAX

1. Income Tax Slabs for individuals/HUF/AOP/BOI/AJP have been increased. The new slabs for AY 20011-12 are:

Individual/HUF	Women	Senior Citizen	Rate
Up to 160000/-	Up to 190000/-	Up to 240000/-	Nil
1.60 to 5.00 lacs	1.60 to 5.00 lacs	1.60 to 5.00 lacs	10%
5.00 to 8.00 lacs	5.00 to 8.00 lacs	5.00 to 8.00 lacs	20%
Above 8 lacs	Above 8 lacs	Above 8 lacs	30%

Existing Tax slabs for AY 2010-11 are:

Individual/HUF	Women	Senior Citizen	Rate
Up to 160000/-	Up to 190000/-	Up to 240000/-	Nil
1.60 to 3.00 lacs	1.60 to 3.00 lacs	1.60 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:
   - Surcharge will continue not to be applicable to individuals, HUF, AOP, BOI and Artificial Juridical persons.
   - Surcharge in the case of a domestic company with income above one crore is proposed to be reduced to 7.5% from existing 10%
   - Surcharge on non domestic companies having income exceeding one crore shall be @ 2.5%

   Marginal relief shall be allowed in all these cases to ensure that the additional amount of income-tax payable, including surcharge, on the excess of income over one crore rupees is limited to the amount by which the income is more than one crore rupees.

3. Education Cess:
   Education Cess and Secondary and Higher Education Cess shall continue to be levied at the rate of 2% and 1% respectively, of income tax including surcharge wherever

applicable, in the cases of persons not resident in India including companies other than domestic company.

4. No Changes in the rates for TDS
5. No changes in tax rates for cooperative society, firm, local authority and companies.
6. New Saral Form-2 ready to be introduced.
7. Encouragement given for funding infrastructure by providing tax deduction on investment in long-term infrastructure bonds
8. Tax Audit Turnover Limits enhanced to 60 lakh and 15 lak for business and profession respectively.
9. Minimum Alternate Tax increased to 18%
10. Requirement to furnish TDS/TDS Certificate to continue.
11. Threshold limit for TDS enhanced.
12. Conditions for filing of an application before the Settlement Commission and the time for disposal of an application by the Settlement Commission are proposed to be modified.
13. Power given to the High Court to condone delay in filing of appeals.
14. Document Identification Number postponed to 01-07-2011
15. Changes in taxation of income of non-life insurance business
16. Weighted deduction for scientific research and development or research in social science or statistical research increased.
17. No disallowance if TDS is deposited before due date of ITR.
18. Conversion of small companies into Limited Liability Partnerships without attracting capital gains tax liability.
19. Interest payable on late deposit of tax increased to 1.5% p.m. from existing 1% p.m.

---x---

SALARY INCOME

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

1. Deductions under Chapter VIA

[Refer Section Deductions/Reliefs]

2. Provisions related to TDS Certificate

[Refer Chapter Business & Profession, Para 9(b)]

Note: One can calculate his/her Tax Liability under the proposed provisions by using the Tax Calculator at the follwing link:

http://law.incometaxindia.gov.in/TaxmannDit/xtras/taxcalc2011.aspx

MAJOR CHANGES BROUGHT ABOUT IN INCOME TAX

INCOME FROM OTHER SOURCES

1. Transactions without consideration or for inadequate consideration

Under the existing provisions any sum of money or any property in kind which is received without consideration or for inadequate consideration (in excess of Rs. 50,000/-) by an individual or an HUF is chargeable to income tax in the hands of recipient under the head ‘income from other sources’. However, receipts from relatives or on the occasion of marriage or under a will are outside the scope of this provision.

Section 56(2)(vii)

Presently these provision apply only if the recipient is an individual or an HUF.

In order to make the provisions applicable transfer of shares of a company to a firm or a company to prevent the practice of transferring unlisted shares at prices much below their fair market value, it is proposed to also include within its ambit transactions undertaken in shares of a company (not being a company in which public are substantially interested as defined in section 2(18)) either for inadequate consideration or without consideration where the recipient is a firm or a company (not being a company in which public are substantially interested).

Property for the purpose includes immovable property being land or building or both, shares and securities, jewellery, archeological collection, drawings, paintings, sculpture or any work of art.

It is now proposed to amend the definition of property so as to provide that section 56(2)(vii) will have application to the ‘property’ which is in the nature of a capital asset of the recipient and therefore would not apply to stock-in-trade, raw material and consumable stores of any business of such recipient. Definition is also amended to include “bullion”.

In several cases of immovable property transactions, there is a time gap between the booking of a property and the receipt of such property on registration, which results in a taxable differential. It is, therefore, proposed to amend clause (vii) of section 56(2) so as to provide that it would apply only if the immovable property is received without <u>any consideration</u> and to remove the stipulation regarding transactions involving cases of inadequate consideration in respect of immovable property.

MAJOR CHANGES BROUGHT ABOUT IN INCOME TAX

LIMITED LIABILITY PARTNERSHIPS

The Finance (No. 2) Act, 2009 provided for the taxation of LLPs in the Income-tax Act on the same lines as applicable to partnership firms. Section 56 and section 57 of the Limited Liability Partnership Act, 2008 allow conversion of a private company or an unlisted public company (hereafter referred as company) into an LLP. Under the existing provisions of Income-tax Act, conversion of a company into an LLP has definite tax implications. Transfer of assets on conversion attracts levy of capital gains tax. Similarly, carry forward of losses and of unabsorbed depreciation is not available to the successor LLP.

It is proposed that the transfer of assets on conversion of a company into an LLP in accordance with section 56 and section 57 of the Limited Liability Partnership Act, 2008 shall not be regarded as a transfer for the purposes of capital gains tax under section 45, subject to following conditions:

(i) the total sales, turnover or gross receipts in business of the company do not exceed sixty lakh rupees in any of the three preceding previous years;
(ii) the shareholders of the company become partners of the LLP in the same proportion as their shareholding in the company;
(iii) no consideration other than share in profit and capital contribution in the LLP arises to partners;
(iv) the erstwhile shareholders of the company continue to be entitled to receive at least 50 per cent of the profits of the LLP for a period of 5 years from the date of conversion;
(v) all assets and liabilities of the company become the assets and liabilities of the LLP; and
(vi) no amount is paid, either directly or indirectly, to any partner out of the accumulated profit of the company for a period of 3 years from the date of conversion.

It is also proposed to allow carry forward and set-off of business loss and unabsorbed depreciation to the successor LLP which fulfills the above mentioned conditions.

It is also proposed that if the conditions stipulated above are not complied with, the benefit availed by the company shall be deemed to be the profits and gains of the successor LLP chargeable to tax for the previous year in which the requirements are not complied with.

It is also proposed that the aggregate depreciation allowable to the predecessor company and successor LLP shall not exceed, in any previous year, the depreciation calculated at the prescribed rates as if the conversion had not taken place.

It is further proposed that the actual cost of the block of assets in the case of the successor LLP shall be the written down value of the block of assets as in the case of the predecessor company on the date of conversion.

It is also provided that the cost of acquisition of the capital asset for the successor LLP shall be deemed to be the cost for which the predecessor company acquired it.

Credit in respect of tax paid by a company under section 115JB is allowed only to such company under section 115JAA. It is proposed to clarify that the tax credit under section 115JAA shall not be allowed to the successor LLP.

These amendments are proposed to take effect from 1st April, 2011

MAJOR CHANGES BROUGHT ABOUT IN INCOME TAX

DEDUCTIONS / RELIEFS

1. **Deduction in respect of long-term infrastructure bonds**

   it is proposed to insert a new section 80CCF in the Income-tax Act to provide that subscription during the financial year 2010-11 made to long-term infrastructure bonds (as may be notified by the Central Government), to the extent of Rs. 20,000, shall be allowed as deduction in computing the income of an individual or a Hindu undivided family.

   This deduction will be over and above the existing overall limit of tax deduction on savings of upto Rs.1 lakh under section 80C, 80CCC and 80CCD of the Act.

2. **Deduction in respect of contribution to the Central Government Health Scheme**

   Under the existing provisions of section 80D, deduction in respect of premium paid towards a health insurance policy upto a maximum of Rs. 15,000 is available for self, spouse and dependent children. A further deduction of Rs. 15,000 is also allowed for buying an insurance policy in respect of dependent parents. The deduction is enhanced to Rs. 20,000 in both cases if the person insured is of age of 65 years or above.

   The Central Government Health Scheme (CGHS) is a medical facility available to serving and retired Government servants. This facility is quite similar to the facilities available through health insurance policies. It is, therefore, proposed to also allow deduction in respect of any contribution made to CGHS by including such contribution under the provisions of section 80D.

   However, the deduction will be limited to the current aggregate as mentioned in the section as above.

3. **Deduction for developing and building housing projects**

Under the existing provisions of section 80-IB(10), 100 per cent deduction is available in respect of profits derived by an undertaking from developing and building housing projects approved by a local authority before 31.3.2008. This benefit is available subject to, *inter alia*, the following conditions:

(a) the project has to be completed within 4 years from the end of the financial year in which the project is approved by the local authority.

(b) the built-up area of the shops and other commercial establishments included in the housing project should not exceed 5 per cent of the total built-up area of the housing project or 2,000 sq.ft. whichever is less.

To allow for extraordinary conditions due to the global recession and the resultant slowdown in the housing sector, it is proposed to increase the period allowed for completion of a housing project in order to qualify for availing the tax benefit under the section, from the existing 4 years to 5 years from the end of the financial year in which the housing project is approved by the local authority. This extension will be available for housing projects approved on or after 1.4. 2005.

Further, it is also proposed to enhance the current norms for built-up area of shops and other commercial establishments in housing projects in order to enable basic facilities for the residents. The built-up area of the shops and other commercial establishments included in the housing project is proposed to be three per cent of the aggregate built-up area of the housing project or 5000 sq. ft., whichever is higher. This benefit will be available to projects approved on or after the 1.4.2005, which are pending for completion, in respect of their income relating to assessment year 2010-11 and subsequent years.

4. **Deduction of profits of a hotel or a convention centre in the National Capital Territory**

Presently 100 per cent deduction is provided for five years, of profits derived by an undertaking from the business of a two-star, three-star or four-star category hotel or from the business of building, owning and operating a convention centre located in the

National Capital Territory of Delhi and the districts of Faridabad, Gurgaon, Gautam Budh Nagar and Ghaziabad, provided such hotel has started functioning or such convention centre is constructed during the period 1.4.2007 to 31.3.2010.

To provide some more time for these facilities to be set up in light of the Commonwealth Games in October, 2010, it is proposed to amend clauses (i) and (ii) of section 80-ID to extend the date by which the hotel has to start functioning or the convention centre has to be constructed, from the present 31st March, 2010 to 31st July, 2010.

MAJOR CHANGES BROUGHT ABOUT IN INCOME TAX

BUSINESS & PROFESSION

1. **Carrying on business activity along with charitable objects**:

For the purposes of the Income-tax Act, "charitable purpose" has been defined in section 2(15) which, among others, includes "the advancement of any other object of general public utility". However, "the advancement of any other object of general public utility" is not a charitable purpose, if it involves the carrying on of any activity in the nature of trade, commerce or business, or any activity of rendering any service in relation to any trade, commerce or business, for a cess or fee or any other consideration.

The absolute restriction was creating hardship to the organizations which receive sundry considerations from such activities. It is, therefore, proposed to amend the section to provide that such activities shall continue to be a "charitable purpose" if the total receipts from any such activity do not exceed Rs.10 lakhs in the previous year.

2. **Disallowance of expenditure on account of non-compliance with TDS provisions**

The existing provisions of section 40(a)(ia) of Income-tax Act provide for the disallowance of expenditure like interest, commission, brokerage, professional fees, etc. if tax on such expenditure was not deducted, or after deduction was not paid during the previous year. However, in case the deduction of tax is made during the last month of the previous year, no disallowance is made if the tax is deposited on or before the due date of filing of return.

It is proposed to amend the said section to provide that no disallowance will be made if after deduction of tax during the previous year, the same has been paid on or before the due date of filing of return of income specified in sub-section (1) of section 139.

3. **Weighted Deductions for scientific research and development**

In order to further incentivise the corporate sector to invest in in-house research, it is proposed to increase this weighted deduction from 150 times to 200 times.

Further In order to encourage more contributions to approved entities for the purposes of scientific research, it is proposed to increase this weighted deduction from 125 per cent to 175 per cent.

4. **Investment linked deduction for specified business**

Benefits of profit linked deduction under Chapter VI-A of the Income-tax Act are currently available to specified categories of hotels in Uttarakhand and Himachal Pradesh; National Capital Territory and adjacent districts; 22 districts having World Heritage Sites and North-Eastern States, which start functioning before specified dates mentioned in the Act.

In view of the high employment potential of this sector, it is proposed to provide investment linked incentive which allows 100 per cent deduction in respect of the whole of any expenditure of capital nature (other than on land, goodwill and financial instrument) to the hotel sector, irrespective of location. It is proposed to include the business of building and operating a new hotel of two-star or above category, anywhere in India, which starts functioning after 1.4.2010 within the purview of "specified business" under section 35AD.

One of the conditions for availing the benefit under section 35AD in the case of laying and operating a cross-country natural gas or crude or petroleum oil pipeline network for distribution,is that the specified business 'has made not less than one-third of its total pipeline capacity available for use on common carrier basis by any person other than the assessee or an associated person'. it is proposed to amend sub-section (2) of section 35AD to provide that the proportion of the total pipeline capacity to be made available for use on common carrier basis should be as specified by Petroleum & Natural Gas Regulatory Board.

5. **Disallowance of expenditure on account of non-compliance with TDS provisions**

The existing provisions of section 40(a)(ia) provide for the disallowance of expenditure like interest,commission, brokerage, professional fees, etc. if tax on such expenditure was not deducted, or after deduction was not paidduring the previous year. However, in case the deduction of tax is made during the last month of the previous year, no disallowance is made if the tax is deposited on or before the due date of filing of return.

It is proposed to amend the said section to provide that no disallowance will be made if after deduction of tax during the previous year, the same has been paid on or before the due date of filing of return of income.

6. **Tax Audit**

In order to reduce compliance burden of small businesses and professionals, it is proposed to increase the threshold limit of turnover from forty lakh rupees to sixty lakh rupees in the case of persons carrying on business and from ten lakh rupees to fifteen lakh rupees in the case of persons carrying on profession.

Consequently, for the purpose of presumptive taxation under section 44AD, the threshold limit would be increased to 60 lakh.

It is also proposed to increase the maximum penalty, leviable under section 271B for failure to get accounts audited under section 44AB or to furnish a report of such audit, from one lakh rupees to one lakh fifty thousand rupees.

7. **Income of a non-resident providing services or facilities in connection with prospecting for or extraction or production of, mineral oil**

Presently combined effect of the provisions of sections 44BB, 44DA and 115A is that if the income of a non-resident is in the nature of fee for technical services, it shall be taxable under the provisions of either section 44DA or section 115A irrespective of the business to which it relates. Section 44BB applies only in a case where consideration is for services and other facilities relating to exploration activity which are not in the nature of technical services. However, owing to judicial pronouncements, doubts have been raised regarding the scope of section 44BB vis-à-vis section 44DA as to whether fee for technical services relating to the exploration sector would also be covered under the presumptive taxation provisions of section 44BB.

In order to remove doubts and clarify the distinct scheme of taxation of income by way of fee for technical services, it is proposed to amend the proviso to section 44BB so as to exclude the applicability of section 44BB to the income which is covered under section 44DA. Similarly, section 44DA is also proposed to

be amended to provide that provisions of section 44BB shall not apply to the income covered under section 44DA.

8. **Minimum Alternate Tax**

It is proposed to amend section 115JB to increase the MAT rate to eighteen per cent from the existing fifteen per cent.

9. **Tax Deducted at Source:**

(a) Increase in Threshold Limits:

In order to adjust for inflation and also to reduce the compliance burden of deductors and taxpayers, it is proposed to raise the threshold limit as under:

Section	Nature of payment	Existing Threshold	Proposed Threshold
194B	Winning from Lottery or crossword puzzle	5000/-	10000/-
194BB	Winning from Horse races	2500/-	5000/-
194C	Payment to Contractors: - Single Tranzaction - Aggregate tranzaction	 20000/- 50000/-	 30000/- 75000/-
194D	Insurance Commission	5000/-	20000/-
194H	Commission or Brokage	2500/-	5000/-
194I	Rent	120000/-	180000/-
194J	Profession/Technical Fee	20000/-	30000/-

(b) Certificate of TDS and TCS:

The existing provisions dispense with the requirement of furnishing of TDS certificates by the deductor to the deductee on or after 1st April, 2010.

Considering the fact that the TDS/TCS certificate constitutes an important document for the deductee/collectee, it is proposed that the deductor/collector will continue to furnish TDS/TCS certificates to the deductee/collectee even after 1st April, 2010.

10. **Taxation of income of non-life insurance business**

Section 44 read with the First Schedule to the Income-tax Act provides the scheme of computation of income of insurance companies. According to Rule 5 of the said Schedule, the income of non-life insurance business is taken as ‘profit before tax and appropriations’ as per the profit and loss account of the company, prepared in accordance with the regulations made by the Insurance Regulatory Development Authority (IRDA), subject to certain adjustments.

The Finance (No. 2) Act, 2009 amended the First Schedule to provide that in case of non-life insurance business, appreciation of or gains on realisation of investments taken credit for in the accounts shall be treated as income and be included in the computation of the total income.

The appreciation in the value of investments, being in the nature of unrealized gain is not taken into account for determining profit or loss of non-life insurance business as per the IRDA regulations. It is, therefore, proposed that the unrealized gains due to appreciation in the value of investments will not be included in the total income. Similarly, deduction will not be allowed for provision for losses due to diminution in the value of investments as this is not a realized loss.

It has also been provided that any gain or loss on realisation of investments shall be added or deducted for the purpose of computation of the total income, if the same is not already credited or debited in the profit and loss account.

MAJOR CHANGES BROUGHT ABOUT IN INCOME TAX

SETTLEMENT AND APPEALS

1. **Settlement Commission**
Conditions for filing:

The conditions for filing of an application before the Settlement Commission and the time for disposal of an application by the Settlement Commission are proposed to be modified.

It is now proposed to include proceedings for assessment or reassessment resulting from search or as a result of requisition of books of account or other documents or any assets, within the definition of a “case” which can be admitted by the Settlement Commission.

It is also proposed to specify the date on which the proceedings for assessment or reassessment shall be deemed to have commenced and concluded in the case of a person whose income is being assessed or reassessed as a result of search or as a result of requisition of books of account or other documents or any assets.

Under the existing provisions of section 245C of the Income-tax Act, an application can be filed before the Settlement Commission, if the additional amount of income-tax payable on the income disclosed in the application exceeds three lakh.

It is proposed to substitute the proviso to section 245C, so as to provide that an application can be filed before the Settlement Commission, in cases where proceedings for assessment or reassessment have been initiated as a result of search or as a result of requisition of books of account or other documents or any assets, if the additional amount of income-tax payable on the income disclosed in the application exceeds fifty lakh rupees. It is further proposed that, in other cases, an application can be made before the Settlement Commission, if the additional amount of income-tax payable on the income disclosed in the application exceeds ten lakh rupees.

Passing of Order:

Under the existing provisions of section 245D(4A) of the Income-tax Act, the Settlement Commission shall pass an order within twelve months from the end of the month in which the application was made.

It is proposed to amend clause (ii) of sub-section (4A) so as to provide that the Settlement Commission, shall, in respect of an application filed on or after 1st June, 2007 but before 1st June, 2010, pass an order within the said period of twelve months.

It is further proposed to insert a new clause (iii) in sub-section (4A) so as to provide that the Settlement Commission shall, in respect of an application made on or after 1st June, 2010, pass an order within eighteen months from the end of the month in which the application is made.

2. **Power of the High Court to condone delay in filing of appeals**

The existing provisions of section 260A(2) provide that an appeal against the order of Income-tax Appellate Tribunal can be filed before the High Court within a period of one hundred and twenty days from the date of the receipt of the order by the assessee or the Commissioner.

The Delhi High Court, while interpreting provisions of section 260A, has held that the High Court has the power to condone delay in filing of an appeal. However, Allahabad, Bombay, Kolkata, Guwahati and Chattisgarh High Courts have held otherwise.

It is now proposed to retrospectively insert sub-section (2A) in section 260A of the Income-tax Act to specifically provide that the High Court may admit an appeal after the expiry of the period of one hundred and twenty days, if it is satisfied that there was sufficient cause for not filing the appeal within such period.

SECTION-WISE MAJOR CHANGES:

INCOME TAX

Section	Subject	w.e.f.	Changes
2(15)	Charitable Purpose	01-04-2009 AY 2009-10	Carrying on of any activity in the nature of trade, commerce or business, or any activity of rendering any service in relation to any trade, commerce or business would still be considered as "the advancement of any other object of general public utility" provided aggregate receipts from such activities does not exceed 10 lacs.
9	Income deemed to accrue or arise in India.	01-06-1976 AY 1977-78	Income from royalties, interest fee for technical services shall be included in the total income of the non-resident, whether or not, the non resident has rendered services in India.
10(21)	Incomes not included in total income.	01-04-2011 AY 2011-12	Section widened to make it applicable to a research association which has as its object, undertaking research in social science or statistical research, provided such research association is approved

			and notified under clause (iii) of sub-section (1) of section 35.
10AA	Newly established Units in Special Economic Zones.	01-04-2006	Section 10AA was inserted by the Special Economic Zone Act, 2005 with effect from 10.2.2006. Through the Finance (No.2) Act, 2009, section 10AA(7) was amended and the words “by the undertaking” were substituted for “by the assessee” with effect from AY 2010-11 and subsequent AY. This was done as the existing formula was perceived to be discriminatory in so far as those assessees are concerned who have multiple units in both the SEZ and the domestic tariff area (DTA) vis-à-vis those assessees who were having units in only the SEZ. With a view to removing the anomaly, the provisions of sub-section (7) of section 10AA of the Income-tax Act were amended.

			In order to make the amendment effective for earlier years, it is proposed, by inserting a proviso to sub-section (7), to provide that the provision of sub-section (7), as amended by Finance (No. 2) Act 2009, will apply to the assessment year 2006- 07 and subsequent A Years.
12AA (3)	Registration of a trust or institution.	01-06-2010	The power of cancellation of registration is inherent and flows from the authority of granting registration. However, judicial rulings in some cases have held that the Commissioner does not have the power to cancel the registration which was obtained earlier by any trust or institution under provisions of section 12A as it is not specifically mentioned in section 12AA. Now it is provided that the Commissioner can also cancel the registration obtained under section 12A as it stood before amendment by

			Finance (No.2) Act, 1996.
32	Depreciation	01-04-2011 AY 2011-12	It has been provided that In case of succession of a private co. or unlisted public co. by LLP, the aggregate depreciation allowable to the predecessor Co. and the successor LLP shall be calculated at the prescribed rate as if no succession has taken place.
35	Expenditure on research.	01-04-2011 AY 2011-12	Weighted deduction increased: from 150 times to 200 times for inhouse expenditure by cos. From 125 to 175 times for: Any sum paid to an approved scientific research association that has the object of undertaking scientific research or to an approved university, college or other institution to be used for scientific research is allowed. Any sum paid to a National Laboratory or a university or IIT or a specified person for the purpose of an approved scientific research programme.

			Presently the weighted deduction is also allowed in respect of contributions made to an approved university, college or institution to be used for research in social science or statistical research u/s 35(1)(iii). Now amendment is proposed to include approved and notified research associations, with similar objects.
35AD	Expenditure on specified business.	01-04-2010 AY 2010-11	One of the specified business, *inter alia*, includes the business of laying and operating a cross-country natural gas or crude or petroleum oil pipeline network It is proposed that condition of total pipeline capacity to be made available for use on common carrier basis should be as specified by regulations made by the Petroleum and Natural Gas Regulatory Board. It is proposed to amend sub-section (5) so as to insert a new clause (aa) to provide that the specified business in the nature of building and operating a new hotel of two-star or above category as

			classified by the Central Government should commence its operation on or after 1st April, 2010. Definition of Specified Business is proposed to be amended to include business relating to building and operating, anywhere in India, a new hotel of two-star or above category as classified by the Central Government.
35DDA	Amortisation of expenditure incurred under voluntary retirement scheme.	01-04-2011 AY 2011-12	It is proposed that in case of succession of a private company or unlisted public co. by a LLP, the provisions related to deduction shall apply to the successor LLP as they would have applied to the predecessor company. It is also provided that in case of such conversion, no deduction under the said section shall be allowed to the predecessor company in the previous year in which the conversion takes place.
40(a)(ia)	Amounts not deductible.	01-04-2010 AY 2010-11	Disallowance will be attracted, only if, after deduction of tax during the previous year, the same has not been

			paid on or before the due date of filing of return.
43	Definitions of certain terms relevant to PGPB	01-04-2011 AY 2011-12	Consequential
44AB	Tax Audit	01-04-2011 AY 2011-12	Turnover Limits for tax Audit revised to Rs. 60 lacs for business and 15 lacs for profession.
44AD	Presumptive Profit	01-04-2011 AY 2011-12	Consequential to amendment in section 44AB, the definition of elegible business amended to provide for turnover not exceeding 60 lacs
44BB	Business of exploration, etc., of mineral oils	01-04-2011 AY 2011-12	It is Clarified that the provisions of section 44BB shall also not apply in case where the provisions of section 44DA become applicable.
44DA	Royalties etc. in case of non-residents.	01-04-2011 AY 2011-12	It is Clarified that the provisions of section 44BB shall not apply in respect of income referred to in the section 44DA.
47(xiiib)	Transactions not regarded as transfer.	01-04-2011 AY 2011-12	Subject to six conditions specified, transfer of capital/ intangible asset by a company shall not be treated as transfer where a private co. or unlisted public co. is converted into a LLP.
47A	Withdrawal of exemption in certain cases.	01-04-2011 AY 2011-12	Consequential to section 47(xiiib)

49 49(4)	Cost with reference to certain modes of acquisition.	01-04-2011 AY 2011-12 01-06-2010 AY 2011-12	Consequential to section 47(xiiib) Cost of acquisition of property being shares received without consideration or inadequate consideration shall be deemed to be the value which has been taken into account for the purpose of new clause (viia) of sub-section (2) of section 56.
56(2)(vii)(b) 56(2)(viia)	Income from other sources.	01-10-2009 AY 2010-11 01-06-2010 AY 2011-12 01-06-2010 AY 2011-12	It is proposed that value of the immoveable property received shall be taxed only if the property is received without any consideration. It's notable that the condition as regards inadequate consideration has been removed. Definition of property amended to restrict its application to property which is in the nature of capital asset of the assessee. Bullion included within the specified category of property. Following New section added for income chargeable under other

			sources: where a firm or a company not being a company in which the public are substantially interested receives, in any previous year, from any person or persons, on or after the 1st day of June, 2010, any property, being shares of a company not being a company in which the public are substantially interested,— (*i*) without consideration, the aggregate fair market value of which exceeds fifty thousand rupees, the whole of the aggregate fair market value of such property; (*ii*) for a consideration which is less than the aggregate fair market value of the property by an amount exceeding 50000 rupees, the aggregatefair market value of such property as exceeds such consideration: Provided that this clause shall not apply to any such property received by way of a transaction not regarded as

			transfer under clause (*via*) or clause (*vic*) or clause (*vicb*) or clause (*vid*) or clause (*vii*) of section 47. *Explanation*.—For the purposes of this clause, "fair market value" of a property, being shares of a company not being a company in which the public are substantially interested, shall have the meaning assigned to it in the *Explanation* to clause (*vii*)
72A (6A) 72A 7(a) 72A 7(b)	Carry forward and set off in amalgamation or demerger, etc. Accumulated loss and unabsorbed depreciation"	01-04-2011 AY 2011-12	New clause inserted for the case of succession of business, whereby, a private company or unlisted public company is succeeded by a limited liability partnership fulfilling the conditions laid down in the proviso to clause (xiiib) of section 47 Expressions "accumulated loss" and "unabsorbed depreciation" redefined to provide reference to conversion into LLP.
80A(7)	Deductions to be made in computing total income.	01-04-2011 AY 2011-12	Deduction claimed under this chapter can't be reclaimed under section 35AD in relation to such specified business for the same or any other assessment year.

80CCF	Deduction for subscription to long-term infrastructure bonds	01-04-2011 AY 2011-12	A sum of rupees twenty thousand in addition to section 80C may be allowed to an individual or a HUF if such sum is paid or deposited at any time during the previous year. as subscription to long-term infrastructure bonds as may be notified.
80D	Deduction for Health Insurance Premia.	01-04-2011 AY 2011-12	Benefit extended to contribution made by the assessee during the previous year to the Central Government Health Scheme within the limit of 15000/-
80GGA	Deduction in respect of certain donations for scientific research or rural development.	01-04-2011 AY 2011-12	Scope widened to include donations made to a research association which has as its object undertaking of research in social science or statistical research and which for the time being is approved for the purposes of clause (iii) of sub-section (1) of section 35.
80IB(10)(a)	Deduction in respect of profits and gains from certain industrial undertakings other than infrastructure development undertakings.	01-04-2010 AY 2010-11	Period for completion of a housing project approved on or after 1st April, 2005 increased from four years to five years.

80IB(10)(d)			The built-up area limit of the shops and other commercial establishments included in the housing project revised as under: **Existing:** 5% of the aggregate built-up area of the housing project or 2,000 square feet, whichever is less. **Revised**: 3% of the aggregate built-up area of the housing project or 5,000 square feet, whichever is higher.
80ID(2)(i)	Deduction in respect of profits and gains from business of hotels and convention centres in specified area.	01-04-2011 AY 2011-12	Deadline for construction of the centre extended to 31st July, 2010.
115JJA(7)	Tax credit in respect of tax paid on deemed income relating to certain companies.	01-04-2011 AY 2011-12	New clause to provide for exclusion of LLP which has been converted from a private co. or unlisted public co. under the Limited Liability Partnership Act, 2008.
115JB(1)	Minimum Alternate Tax	01-04-2011 AY 2011-12	MAT rate increased to 18% from 15%
115WE(1B)	FBT Assessment	01-04-2010	Time limit for issuance of direction by Central Govt increased to 31.03.2011

139(4C)	Return of income.	01-04-2011 AY 2011-12	It is proposed to require a research association having as its object undertaking research in social science or statistical research to also furnish its return of income.
142A(1)	Estimate by Valuation Officer in certain cases.	01-07-2010	Assessing Officer now empowered to make reference to the Valuation Officer for making an estimate of fair market value of any property referred to in sub-section (2) of section 56 of the Act.
143(1B) 143(3)	Assessment	01-04-2010 01-04-2011 AY 2011-12	Time limit for issuance of direction relating to processing of returns By Central Govt increased to 31.03.2011 Proviso to the section states that the assessing officer shall not withdraw exemption under section 10 unless the intimation has been given by him to the prescribed authority and the approval granted to the association has been withdrawn. In the amendment references to scientific research association are proposed to be

			substituted by references to research association.
194B	TDS on Winnings from lottery or crossword puzzle	01-07-2010	Limit for TDS is enhanced from five thousand rupees to ten thousand rupees.
194BB	TDS on winnings from horse race.		Limit for TDS is enhanced from thousand five hundred rupees to five thousand rupees
194C	TDS on payments to Contractors	01-07-2010	It is proposed to enhance the limit from: 20000 for a single transaction to 30000 and 50000 for the aggregate transactions during the financial year to 75000
194D	TDS on Insurance commission	01-07-2010	Limit increased from 5000/- to 20000/-
194H	TDS on commission or brokerage	01-07-2010	Limit increased from 2500/- to 50000/-
194I	TDS on Rent	01-07-2010	Limit increased from 120000/- to 180000/-
194J	TDS on fees for professional or technical services	01-07-2010	Limit increased from 20000/- to 30000/-
201(1A)	Consequences of failure to deduct or pay tax.	01-07-2010	Interest of delayed deposit increased to 1.5% p.m. from existing 1% p.m.
203(3) 206(C)	Certificate for tax deducted.	01-04-2010	It is proposed to omit the sub-section (3) which provides that or after 1st April, 2010

			there is no need to issue a TDS Certificate
245A	expression "case"	01-06-2010	The expression "case" amended so as to include Assessment in case of search or requisition
245C	Settlement of cases	01-06-2010	It is proposed to substitute existing eligibility to make the application. An application can be made before the Settlement Commission, in cases where proceedings for assessment or reassessment have been initiated as a result of search under section 132 or books of account, other documents or any assets requisitioned under section 132A, if the additional amount of income-tax payable on the income disclosed in the application exceeds 50 lacs rupees. In other cases it is 10 lacs.
245D(4A)	Procedure on receipt of an application for settlement of cases	01-06-2010	the Settlement Commission shall make an order: In respect of an application made on or after 1st June, 2007 but before 1st June, 2010, within 12 months In respect of an application made on or

			after 1st June, 2010, within 18 months
256(2A)	Statement of case to the High Court.	01-06-1981	High Court can admit an application after the expiry (6 months from the date of receipt of the order of Tribunal refusing to state the case on the ground that no question of law arises) if it is satisfied that there was sufficient cause for not filing the same within the said period
260A(2A)	Appeal to High Court.	01-10-1998	High Court is empowered to admit an appeal after 120 days from the date of receipt of the order appealed against, if it is satisfied that there was sufficient cause for not filing the appeal within the said period
271B	Penalty for failure to get accounts audited	01-04-2011 AY 2011-12	Maximum Penalty increased from 1 lakh to Rs. 1.50 lakh.
282B	Document Identification No.	01-10-2010	Effective Date for use of computer generated Document Identification Number extended to 01-10-2011
Rule 5(b) First Schedule	computation of profits and gains of other insurance business		(*i*) Any gain or loss on realisation of investments shall be added or deducted, as the case may be, if such gain or loss is not credited or debited to the profit and loss account; (*ii*) Any provision for diminution in the value of investment debited to the profit and loss account, shall be added back

WEALTH TAX

22A(b)	Expression Case	01-06-2010	Definition of "case" altered to include the proceedings of assessment or reassessment which may be initiated on the basis of a search or requisition. *Explanation* amended to specify the date on which the proceedings for assessment or reassessment shall be deemed to have been initiated and concluded pursuant to a search or requisition
22D	Procedure on receipt of an application for Settlement	01-06-2010	the Settlement Commission shall make an order: In respect of an application made on or after 1st June, 2007 but before 1st June, 2010, within 12 months In respect of an application made on or after 1st June, 2010, within 18 months

27(3B)	Reference to High Court.	01-06-1981	High Court can admit an application after the expiry (90days from the date of receipt of the order of Tribunal refusing to state the case on the ground that no question of law arises) if it is satisfied that there was sufficient cause for not filing the same within the said period
27A	Appeal to High Court.	01-10-1998	High Court is empowered to admit an appeal after 120 days from the date of receipt of the order appealed against, if it is satisfied that there was sufficient cause for not filing the appeal within the said period

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

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 = 26-02-2004
   Investment Amount = 5000/-

   The Amount of interest to be taken for deduction u/s 80C for the AY 2010-11 would be = 5000 x (12.08/100) = 604.00

2. Investment date = 16-03-2005
   Investment Amount = 10000/-

   The Amount of interest to be taken for deduction u/s 80C for the AY 2010-11 would be = 5000 x (11.17/100) = 1117/-

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	16	1996-97	305
02	1982-83	109	17	1997-98	331
03	1983-84	116	18	1998-99	351
04	1984-85	125	19	1999-00	389
05	1985-86	133	20	2000-01	406
06	1986-87	140	21	2001-02	426
07	1987-88	150	22	2002-03	447
08	1988-89	161	23	2003-04	463
09	1989-90	172	24	2004-05	480
10	1990-91	182	25	2005-06	497
11	1991-92	199	26	2006-07	519
12	1992-93	223	27	2007-08	551
13	1993-94	244	28	2008-09	582
14	1994-95	259	29	2009-10	632
15	1995-96	281			

Example:

Date of Transfer /Sale = 15-02-2010
Sale Consideration = 2 lacs
Cost of acquisition = 1.00 lacs
Date of acquisition = 16-03-2003
Indexed Cost would be: 1.00 x (632/447) = 1.483 lacs

DEPRECIATION RATES

The following are the prime depreciation rates under the Income Tax Act for the financial year 2009-2010 & 2010-11

Sl No.	Asset	Rate %
01	**Building:** Residential Factory	 05 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	Patents, Know-how, copyrights, licenses etc.	25

INCOME TAX RATES
(Other than individuals and HUF)

Effective Income tax rate for the financial year 2009-10 & 2010-2011

Sl. No.	Person / Assessee	2009-10	2010-11	Surcharge	
				2009-10	2010-11
1	Partnership firms	30%	30%	10%	Nil
2	Domestic Company	30%	30%	10%	7.5%
3	Foreign Company	30%	30%	2.5%	2.5%
4	Local Authority	30%	30%	Nil	Nil
5	**Co-operative society**				
	Income up to Rs 10,000/-	10%	10%	Nil	Nil
	Rs 10,000 to Rs 20,000/-	20%	20%	Nil	Nil
	Rs 20,000 and above	30%	30%	Nil	Nil

Note:

1. Surcharge will be livable on asessee mentioned above if income exceeds Rs 1.00 crore.

3. An education cess of 2% + Secondary & Higher Education Cess of 1% shall be charged over and above the tax and surcharge.

TDS CHART AY 2010-11

For changes proposed for AY 2011-12, refer to chapter 5.5 Clause 9(a)

Section	Nature of Payment	Rate Non Company%	Rate Company%	Due Date for Deposit	Qtrly. Return
1	2	3	4	5	6
192	Salaries	Average rate	-	1 week from last day of the month of deduction	24Q
193	Interest on Securities > Rs.10,000	10	20	-do-	26Q
194	Deemed dividend u/s.2(22)(e) Dividends other than listed companies	-	20	-do-	26Q
194A	Interest other than Interest on securities > Rs.10,000	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 - upto 30/09/2009 - wef 01/10/2009	 2 1	 2 2	-do-	26Q
194C (2)	Sub-Contracts/ Advertisements	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	26Q
194F	Repurchase of units by MF/UTI	20	-	1 week from last day of the month of deduction	26Q
194G	Commission on sale of lottery tickets > Rs.1,000	10	10	-do-	26Q

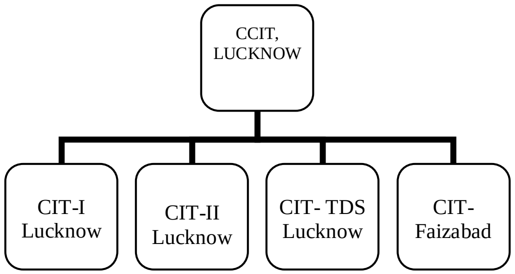
1	2	3	4	5	6
194H	Commission or Brokerage > Rs.2,500	10	10	-do-	26Q
194I	Rent > 120000 Machinery, Plant or Equipment	Up to 30.09.09 10% Wef 01.10.09 2%	Up to 30.09.09 10% Wef 01.10.09 2%	-do-	26Q
	Land, building (including factory building) or land appurtenant to a building (including factory building) or furniture or fittings	Up to 30.09.09 15% wef 01.10.09 10%	Up to 30.09.09 20% Wef 01.10.09 10%		
194J	Professional/ Technical charges/Royalty & Non-compete fees > Rs.20,000	10	10	-do-	26Q
194LA	Compensation on acquisition of immovable property > Rs.1,00,000 w.e.f.01/10/2004	10	10	-do-	26Q
195/196B/196C/196D / 196E	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.

4. No surcharge and education/higher education cess is to be added on tax deducted on non-salary payments made to resident tax payers.
   Education Cess and Health Cess is not applicable for TDS.
5. w.e.f. 01-10-2009 No deduction u/s 194C are required on payments to a contractor during the course of business of plying, hiring or leasing goods carriages (less than 2 goods carriages) on furnishing of his PAN u/s 194C, nil rate is applicable if the transporter quotes his PAN.
6. The Rate of TDS will be 20% in all cases, if PAN is not quoted by the deductee (including transporter) w.e.f. 01-04-2010
7. Deduction at lower or nil rate requires certificate u/s.197, which will take effect from the day it is issued. It cannot be used retrospectively.
8. If TDS certificate is lost, duplicate may be issued on a plain paper giving necessary details marking it as duplicate.
9. Even if the recipient of payment has shown it in his income-tax return and paid the taxes thereon, the deductor who has failed to deduct tax will be liable to pay interest and penalty.
10. Consequences of Default:
    - Interest at the rates in force (12% p.a.) from the date on which tax was deductible to the date of actual deposit.
    - Penalty equal to the tax that was failed to be deducted or remitted.
    - In case of failure to remit the tax deducted, rigorous imprisonment ranging from 3 months to 7 years and fine can be levied.
    - Failure to issue TDS certificate timely, to submit form 15H/15G timely or to furnish statement of perquisites in time or Failure to file Quarterly Statements timely shall attract penalty for each failure of Rs.100/- per day. Maximum penalty for each failure can be up to the amount of TDS/TCS.

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)

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

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 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

	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

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

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 Wealth tax Gift tax Expenditure/other tax Estate duty Interest tax Hotel receipts tax	ITNS 282
04	Banking Cash Transaction Tax	ITNS 283
05	Fringe Benefits Tax	ITNS 283

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/-

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

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.

Note: Central Board of Direct Taxes has decided to extend the time limit for filing ITR-V form relating to income-tax returns filed electronically (without digital signature) on or after 1st April 2009, up to 31st March 2010 or within a period of 120 days from the date of uploading of the electronic return data, whichever is later. The ITR-V form should continue to be sent by ordinary post to Post Bag No.1, Electronic City Post Office, Bengaluru – 560100 (Karnataka). However, in cases where email acknowledgement for ITR-V form is not received by the taxpayer from the CPC Bengaluru, the taxpayer may send another duly signed ITR-V form by speed post to Centralized Processing Centre, Electronic City Post Office, Bengaluru, Karnataka – 560100.

The relaxation has been made following requests from taxpayers that, as a one-time measure, the time limit for filing of ITR-V form may be extended to 31st March 2010 and that alternative modes of submission of ITR-V form may also be provided in cases where an ITR-V form has not been received at CPC, Bengaluru by ordinary post.

To assist taxpayers, a limited call center service with two agents has been established at ITD-CPC, Bengaluru. Taxpayer queries on status of ITR-V receipt at CPC, Bengaluru will be answered on 080-43456700 between 9:30 AM to 6 PM between Monday to Friday. The service will be available in English, Hindi and Kannada.

Dos and Dont's for printing and submitting of ITR-Vs to ITD-CPC

1. Please use Ink Jet /Laser printer to print the ITR-V Form.
2. The ITR-V Form should be printed only in black ink.
3. Do not use any other ink option to print ITR V.
4. Use of Dot Matrix printer should be avoided.
5. Ensure that print out is clear and not light print/faded copy.
6. Please do not print any water marks on ITR-V. The only permissible watermark is that of **"Income tax Department"** which is printed automatically on each ITR-V.
7. The document that is mailed to CPC should be signed in original.
8. Photocopy of signatures will not be accepted.
9. The signatures or any handwritten text should not be written on Bar code.
10. Bar code and numbers below barcode should be clearly visible.
11. Only A4 size white paper should be used.
12. Avoid typing anything at the back of the paper.
13. Perforated paper or any other size paper should be avoided.
14. Do not use stapler on ITR V acknowledgement.
15. In case you are submitting original and revised returns, do not print them back to back. Use two separate papers for printing ITR-Vs separately.
16. Please do not submit any annexures, covering letter, pre stamped envelopes etc. along with ITR-V.
17. The ITR-V form is required to be sent to Post Bag No.1, Electronic City Post Office, Bengaluru, Karnataka-560100, by ordinary post.
18. ITR-Vs that do not conform to the above specifications may get rejected or acknowledgement of receipt may get delayed.

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

INCOME TAX FOR DUMMIES

A. General

1. What is Income Tax?
   It is a tax imposed by the Government of India on any body who earns income in India. This tax is levied on the strength of an Act called "Income tax Act" which was passed by the Parliament of India.

2. What is income earned in India?
   "Income earned in India" is not limited to income earned within the geographical limits or boundaries of the country. Certain incomes are also deemed to have been earned in India although they may have been earned outside the country.

3. Who administers the Income-Tax Act?
   The job of monitoring the Income-tax collection by the government is entrusted to a Department called "Income-Tax". This department functions under the "Department of Revenue, Ministry of Finance, Government of India".

4. What is the period for which a person's income is taken into account for purpose of Income tax?
   Income earned in the twelve months contained in the period from 1^{st} April to 31^{st} March (commonly called "Financial Year" [FY]) is taken into account for purposes of calculating Income Tax. Under the income tax Act this period is called a "Previous year".

5. What is an "Assessment Year"?
   It is the twelve-month period 1^{st} April to 31^{st} March immediately following the previous year [refer answer-4]. In the Assessment year a person files his return for the income earned in the previous year. For example for FY: 2009-10 the AY is 2010-11.

6. Who is supposed to pay Income Tax?

Any Individual or group of Individual or artificial bodies who/which have earned income during the previous years are required to pay Income tax on it. The IT Act recognizes the earners of income under seven [7] categories. Each category is called a “Status”. These are Individuals, Hindu Undivided Family [HUF], Association of Persons [AOP], Body of individuals [BOI], Firms, Companies, Local authority, Artificial juridical person.

When Companies pay taxes under the Income tax Act it is called “Corporate tax”.

7. Is Income tax Act applicable only to residents?
   No, The Income tax Act applies to all persons who earn income in India. Whether they are resident or non-resident.

8. Who is a resident?
   If an individual stays in India for 182 days or more in a year, he is treated as resident in that year regardless of his citizenship. If the stay is less than 182 days he is a non-resident.

9. How can I know whether a company is resident or non-resident?
   A company is considered as “resident” if it is incorporated under the Indian Companies Act. A foreign company can also become a “resident” if the control and management of its affairs is done entirely in India during the previous year.

10. How is resident/ non-resident status relevant for levy of income tax?
    In case of resident individuals and companies, their global income is taxable in India. However non-residents have to pay tax only on the income earned in India or from a source/activity in India.

11. I am an Indian scientist, who had gone abroad on a government project. Should my return of income include income earned/received abroad?
    It depends on residential status. If you are a resident all incomes earned globally are taxable. Therefore the same needs to be included in the return. However if any tax is paid on that income in the foreign country, you will get credit for the same.

B. Taxable Income

12. What is considered as income?
    The word “Income” has a very broad and inclusive meaning. In case of a salaried person, all that is received from an employer in cash, kind or as a facility is considered as income. For a businessman, his/her net profits will constitute income. Income may also flow from investments in the form of Interest, Dividend, and Commission etc. Infect the Income Tax Act does not differentiate between legal and illegal income for purpose of taxation. Under the Act, all incomes earned by persons are classified into 5 different heads, such as:
    a. Income from Salary
    b. Income from House property
    c. Income from Business or Profession
    d. Income from capital gains
    e. Income from other sources

13. Are all receipts considered as income?
    No. Receipts can be classified into two kinds. A) Revenue receipt B) Capital receipt. The general rule under the Income tax Act is that, all revenue receipt are taxable unless a receipt is specifically exempted and all capital receipts are exempt from taxation unless there is a provision to tax it. Gifts and loans etc are in the nature of capital receipts not attracting tax.

14. What are revenue and capital receipts?
    In a simple language, all that one derives from a source is called revenue receipt. For ex. Salary from employment, Rent from property, Interest or Divided from Investments, Profits from business. When an income is earned on account of transacting the source itself, it is called Capital receipt. For example, Sale of land and building, business, investment etc.

15. Is income tax levied on gifts received by a person?
    Gift of :
    I Money exceeding Rs 50,000 in aggregate,
    ii Immovable property-stamp duty value of which exceeds 50 thousand
    iii Other property- fair market value of which exceeds fifty thousand

    is taxable unless it is received from any person who is a relative or on occasion of marriage or under will or by inheritance or in contemplation of death of the payer or from a local authority or specified institutions/funds.

16. I own shares of various Indian companies and receive dividends. Is it taxable?
No. The dividend declared by Indian companies is not taxable in the hands of the share holders because tax on distributed profits have already been borne by the company.

17. I am a religious preacher and earn money from preaching. Do I have to pay tax and file return?
Yes.

18. Can I claim deduction for my personal and household expenditure in calculating my income or profit?
No.

19. Most of my income is given away in charity and I am left with just enough to meet my personal requirement. What will be considered as my income?
What is done after the income is earned does not determine its taxation. However charitable contribution to approved institutions will give you the benefit of certain deductions from taxable income.

20. My daughter stays in USA. She owns a house in India and has let it out. She has asked tenants to pay rent to me so that I can a lead decent life. She has not received any rent. Is she still liable to tax? What if she transfers the house to me?
Your daughter is the owner of the house and therefore she is liable to pay tax even though you receive the rent. If the house is transferred, then you would become the owner and you will have to pay tax on the rental income.

21. My children living abroad send me Rs.20000/- per month for my maintenance. Would this be considered as my income?
No.

22. Is there any limit of income below which I need not pay taxes?
For categories [persons] such as co-operatives societies, firms, companies and local authorities no such exempted limits exists, so they have to pay taxes on their entire income. Presently for FY 2009-10, individuals, HUF, AOP, and BOI having income below rupees 1.60 lakh need not pay any income tax. Also for senior citizens aged

above 65 years and women the exempted limit is Rs. 1.90 lakh and 2.40 lakh respectively.

23. I am an agriculturist. Is my income taxable?
Your agricultural income is not taxable per se. However, if you have any other source of income like income from investments, property etc, while calculating tax on them, your agricultural income will be taken into account, so that you pay tax at a higher rate on that other income.

24. What is agricultural income?
To consider an activity as “agriculture” the basic operation such as tilling, sowing, irrigating & harvesting should have been carried out. Thereafter what is sold in the market should be the primary product harvested. Receipt from such sale is considered as agricultural receipt. If however some further processing or modification were done to the harvested product to enhance its marketable value then such enhanced value would be considered as business income.

25. Is income from animal husbandry considered as agricultural income?
No.

26. Do I have to maintain any records or proof of earnings?
For every source of income you have to maintain proof of earning and the records specified under the IT Act. In case, no such records have been laid down, you should maintain reasonable level of records with which you can support the claim of income.

27. As an agriculturist, am I required to maintain any proof of earning and expenditure incurred?
Even if you have only agricultural income you are advised to maintain some proof of your agricultural earnings.

28. I win a lottery or prize money in a competition. Am I required to pay taxes on it?
Yes.

C. Tax on Income

29. How does the Government collect Income Tax?

Taxes are collected by three means: a) voluntary payment by persons into various designated Banks. For example Advance Tax and Self Assessment Tax b) Taxes deducted at source [TDS] on your behalf from the payments receivable by you. c) Taxes collected at source [TCS] on your behalf at the time of spending. It is the constitutional obligation of every person earning income to compute his income and pay taxes correctly.

30. How will I know how much Income tax I have to pay?
The rates of income tax and corporate taxes are available in the Finance bill [commonly called budget] passed by Parliament every year.

31. Does every person have to keenly follow the annual Finance bills?
You need not do so. You can take professional help or the help of Public Relation Officer [PRO] in the local Income Tax Department office.

32. When do I have to pay the taxes on my income?
Generally the tax on income crystallizes only on completion of the previous year. However for ease of collection and regularity of flow of funds to the Government for its various activities, the Income tax Act has laid down payment of taxes in advance during the year of earning itself. Taxes may also be collected on your behalf during the previous year itself through TDS and TCS. If at the time of filing of return you find that you have some balance tax to be paid after taking into account your advance tax, TDS & TCS, the short fall is to be deposited as "Self Assessment Tax".

33. What is the procedure for depositing tax?
A form called Challan available in the Income Tax department, in banks and on the IT department web site should be filled up and deposited in the bank along with the money. Taxes can also be paid on-line.

34. In the challan there are terms like "Income tax on companies" & "Income tax other than companies". What do they mean?
The tax to be paid by the companies on their income is called corporate tax and in the challan it is mentioned as "Income tax on Companies". Tax paid by non-corporates is called "Income tax" and in the challan it is identified as "Income tax other than Companies".

35. When and How advance tax is calculated and paid?
Advance Tax is required to be paid only if the total likely tax to be paid by the assessee is Rs. 10000 or more. It is paid in installments. The amount payable is to be calculated in the following manner:

Status	By 15th June	By 15th Sept	By 15th Dec	By 15th March
Corporate	15%	45%	75%	100%
Non-Corporate	nil	30%	60%	100%

The deposit of advance tax is made through challan by ticking the relevant column.

36. What is regular tax and how is it paid?
Under the Income tax Act every person has the responsibility to correctly compute and pay his due taxes. Where the Department finds that there has been understatement of income and tax due, it takes measures to compute the actual tax amount that ought to have been paid. This demand raised on the person is called "Regular Tax". The regular tax has to be paid within 30 days of receipt of the notice of demand.

37. What are the precautions that I should take while filling up the tax payment challan?
Clearly mention:
i. Head of payment eg. Corporation Tax/Income Tax
ii. Amount and mode of payment of tax
iii. Type of payment [Advance tax/Self assessment/Regular/Tax on Dividend]
iv. Assessment year
v. PAN

38. Do I need to insist on some proof of payment from the Banker to whom I have submitted the challan?
The filled up taxpayers counter foil will be stamped and returned to you by the bank. Please ensure that the bank stamp contains 7 digit BSR [Bankers Serial number code] and five digit Challan Identification Number [CIN], and the date of payment.

39. How can I know that the Government has received the amount deposited by me as taxes in the bank?

See the following NSDL website
https://tin.tin.nsdl.com/oltas/servlet/QueryTaxpayer
which provides online services called "Challan Status Enquiry". You can also see your online "tax pass book" after registering your PAN. For details see the following site:
http://www.tin-nsdl.com/panregistration.asp

40. What is the procedure to be followed to view my Tax passbook/Tax statement?
You must first register your PAN by logging into the online service called "view tax credit" in the NSDL website as above. Thereafter your PAN registration must be authorized by visiting the nearest TIN [Tax Information Network] facilitation center of NSDL or getting their representative to call upon you. These are paid services.

41. What should I do if my tax payment particulars are not found against my name in your website?
For payments deposited by you into the bank you will have to contact your bankers if the credit has not been given even after three days. In case of TDS or TCS you will have to contact the concerned deductor /collector after the due date for filing the quarterly TDS/TCS return by them is over.

42. Is my responsibility under the Income tax Act over once taxes are paid?
No. You are thereafter responsible for ensuring that the tax credits are available in your tax passbook, TDS/TCS certificates are received by you and that full particulars of income and tax payment along with necessary proof is submitted to the income tax department in the form of "Return" before the due date.

43. What can I do to reduce my tax?
The tax can be reduced by making investment in approved schemes and also by making donations to approved charitable institutions.

D. Return of income

44. What is a return of income?
It is a prescribed form through which the particulars of income earned by a person in a financial year and taxes paid on such income is communicated to the Income tax department after the end of the

Financial year. Different forms are prescribed for filing of returns for different Status and Nature of income.

45. From where can I get a return form?
The Public Relation Officer [PRO] can be contacted for this purpose. The form can also be downloaded from the site http://www.incometaxindiaefiling.gov.in/.

46. What documents are to be enclosed along with the return of income?
Hence no documents need to be attached.

47. Where and how am I supposed to file my return?
A paper return is to be filed before your Assessing officer. It may even be sent by post or filed electronically.

48. Who is an Assessing officer?
He/She is an officer of the Income tax department who has been given jurisdiction over a particular geographical territory or class of persons. You can find out from the PRO or from the Departmental website http://www.incometaxindiaefiling.gov.in/ as to your jurisdiction.

49. How is a return filed electronically?
Companies and partnership firms with a turnover of 40 lakh or more are compulsorily required to file their return electronically, while for others it is still optional. For electronic filing of return you have to log on to the Departmental website http://www.incometaxindiaefiling.gov.in/ and upload the information of income and taxes in the prescribed form. If you have digital signature the same can be appended and there would be no need to file the acknowledgement (ITR V). In case you do not have a digital signature you will be required to file ITR V which is generated on completion of uploading.

50. I am going out of India. Who will file my income tax return for this period?
You can authorize any person by way of a Power of Attorney to file your return. A copy of the Power of Attorney should be enclosed with the return.

51. Will I be put to any disadvantage by filing my return?
No. On the contrary by not filing your return in spite of having taxable income, you will be laying yourself open to the penal and prosecution provisions under the Income-tax Act.

52. What are the benefits of filing my return of income?
Filing of return is your constitutional duty and earns for you the dignity of consciously contributing to the development of the nation. This apart, your IT returns validate your credit worthiness before financial institutions and make it possible for you to access many financial benefits such as bank credits etc.

53. Is it necessary to file return of income when I do not have any positive income?
If you have sustained a loss in the financial year, which you propose to carry forward to the subsequent year for adjustment against its positive income, you must make a claim of loss by filing your return before the due date.

54. What are the due dates for filing returns of income/loss?
The due dates are as follows:

Companies & their Directors	30th September
Other business entities, other than companies, if their accounts are auditable & their working partners	30th September
In all other case	31st July

55. If I fail to furnish my return within the due date of filing, will I be fined or penalized?
Yes. This may take the form of interest if the return is not filed before the end of the assessment year. If the return is not filed even after the end of the assessment year, penalty may also be levied.

56. Can a return be filed after the due date?
Yes. It may be furnished at any time before the expiry of two years from the end of the financial year in which the income was earned. For example, in case of income earned during FY 2007-08, the belated return can be filed before 31st March 2010.

57. So far I have never paid any tax. If I file a return this year will the IT department ask me about my earlier year's income?
The department may ask you to file return of income for earlier years if it finds that you had taxable income in those years.

58. If I have paid excess tax how and when will it be refunded?
The excess tax can be claimed as refund by filing your income tax return. It will be refunded by issue of cheque or by crediting to your bank account.

59. If I have committed any mistake in my original return, am I permitted to file a corrected return?
Yes, provided the original return has been filed before the due date and provided the department has not completed assessment. However it is expected that the mistake in the original return is of a genuine and bona fide nature.

60. How many times can I revise the return?
Theoretically a return can be revised any number of times before the expiry of one year from the end of the assessment year or before assessment by the department is completed; whichever event takes place earlier.

61. Am I required to keep a copy of the return filed as proof and for how long?
Yes. Since legal proceedings under the income tax act can be initiated up to six years prior to the current financial year, you must maintain such documents at least for this period.

62. There are various deductions that have not been reflected in the Form 16 issued by my employer. Can I claim them in my return?
Yes.

63. Why is return filing mandatory even though all my taxes and interests have been paid and there is no refund due to me?
Amounts paid as advance tax and withheld in the form of TDS or collected in the form of TCS will take the character of your tax due only on completion of self-assessment of your income. This self-assessment is intimated to the department by way of filing of return. Only then does the government acquire rights over the prepaid taxes

as its own revenue. Filing of return is critical for this process and, hence, has been made mandatory. Failure will attract levy of penalty.

64. Am I liable for any criminal prosecution [arrest/imprisonment etc] if I don't file my income tax return even though my income is taxable?
Non-payment of tax attracts interests, penalty and prosecution. The prosecution can lead to rigorous imprisonment from 6 months to 7 years and fine.

E. PAN

66. What are the benefits of obtaining a Permanent Account Number [PAN] and PAN Card?
A PAN number has been made compulsory for every transaction with the Income Tax department. It is also mandatory for numerous other financial transactions such as opening of bank accounts, availing institutional financial credits, purchase of high-end consumer item, foreign travel, transaction of immovable properties, dealing in securities etc. A PAN card is a valuable means of photo identification accepted by all government and non-government institutions in the country.

67. I have lost my PAN card but remember my number. Do I necessarily need to get a fresh card?
With your PAN you can continue to transact with the Income Tax department. However, in respect of other agencies you may encounter constraints without a PAN card since it doubles as a photo identity card.

68. I have been allotted two PANs. Which number should I use?
You may retain any one of the numbers and surrender the other through a letter addressed to your jurisdictional Assessing Officer.

69. If I do not surrender the additional PAN number, is there any problem?
Yes. It is illegal to have two PANs and the penalty for such offence is Rs.10,000/-

70. By mistake I have been using different PANs for different purpose like one for my demat account and another for filing my Income Tax return and payment of taxes. How do I set this right?

It is advisable to retain only one PAN, preferably the one used for Income Tax purpose and surrender the other number immediately. The institutions where the latter number has been quoted should be informed of the correct PAN.

71. Is it mandatory to file return of income after getting PAN?
No. Return is to be filed only if you have taxable income.

F. Salary Income

72. What is considered as Salary income?
Whatever is received by an employee from an employer in cash, kind or as a facility [perquisite] is considered as Salary.

73. What is meant by an employer-employee relationship?
If a person has the right/power to hire and fire another, then he is an employer of the latter.

74. What are allowances? Are all allowances taxable?
Allowances are fixed amounts, apart from salary, which are paid by an employer for the purpose of meeting some particular requirements of the employee. There are generally three types of allowances for the purpose of income tax- taxable, fully exempted and partially exempted.

75. I am always on tour and my employer gives me substantial daily allowance, most of which is saved. Will this saving be treated as income?
Yes.

76. My employer reimburses all my expenses on grocery and children's education. Would this be considered as income?
Yes. These are in the nature of perquisite.

77. During the year, I had worked with three different employers and none of them deducted any tax from salary paid to me. If all these amounts are clubbed, my income will exceed the minimum exemption limit. Do I have to pay taxes on my own?
Yes. You will have to pay self-assessment tax and file the return.

78. Even if no taxes have been deducted from salary, is there any need for my employer to issue Form-16 to me?
Form-16 is a certificate of TDS and in your case it will not apply. However your employer must issue a salary statement.

79. Is pension income considered as salary?
Yes. However pension received from the United Nation is exempt.

80. Is Family pension considered as salary?
No. It is taxable under other sources.

81. If I am receiving my pension through a bank who will issue Form-16 or pension statement to me- the bank or my former employer?
The bank.

82. Are retirement benefits such as PF and Gratuity taxable?
No. They are exempt subject to conditions and limits laid down in the Income Tax Act.

83. Are arrears of salary taxable?
Yes. However certain benefit of spread over of income to the years to which it relates can be availed for lower incidence of tax. This is called relief u/s 89(1) of Income-tax Act.

84. Can my employer consider relief u/s 89(1) for the purposes of calculating my tax liability?
Yes.

85. My income from let out house property is negative. Can I ask my employer to consider this loss against my salary income while computing my tax liability?
Yes.

86. Is leave encashment taxable as salary?
It is taxable if received while in service. Received as retirement benefit, however it is exempt subject to certain conditions.

87. Life insurance amount received on maturity along with bonus - is it taxable?
No.

G. Income from House property

88. What do you mean by Income from House Property?
Unlike the other heads of income, Income from house property is a notional income based on a concept called “Annual value”. This is the value a property is expected to fetch if it is let out. It may be more than the actual rent being received if let out. If it is not let out the expected market/fair rent will be considered as “annual value” for the purpose of taxation. Property includes the building and the land surrounding it.

89. If a property is not a residential house, can its income still be considered as income from house property?
Yes, provided the property is not used for business purpose.

90. What are the conditions for taxing income from a property under this head?
The person should own the property.

91. Can interest paid on hand loans taken from friends and relatives be claimed as deduction while calculating house property income?
Yes.

92. I have two houses. One is a farmhouse that I visit on weekends and the other is in the city that I use on weekdays. Is it correct to treat both these residences as self occupied?
No. You can claim any one as self occupied. Incomes from buildings situated in or near agricultural farm are considered exempt provided they are used for dwelling of the farm owner/cultivator or for related purposes of storage etc.

93. I own two houses both of which are occupied by my family and me. Is there any tax implication?
Yes. Income from house property is a notional income and only in respect of one residential unit, if self occupied, it will be considered as “nil”. In case of the other residential unit, marketable rental value will have to be offered for tax.

94. My spouse and I are joint owners of a house constructed by availing housing loan separately. Are we both individually/separately entitled for deduction of the maximum interest payable?

No. The net taxable income from the property must be calculated first and then apportioned between the co-owners. In this process of calculation maximum interest payable can be considered only once.

95. My spouse and I jointly own a house for construction of which both of us have invested equally out of independent sources. Can the rental income received be split between us and taxed in the individual hands?
Yes.

96. I have 5 separate let out properties. Should I calculate the house property income separately for each individual property or by clubbing all the rental receipts in one calculation?
The calculation will have to be made separately for the various properties.

H. Income from business and Profession

97. What does "Profession" mean?
Profession means exploitation of one's skills and knowledge independently. Profession includes vocation. Some examples are legal, medical, engineering, architecture, accountancy, technical consultancy, interior decoration, artists, writers, etc.

98. I have a large piece of land which I sold by dividing into smaller plots. However I am not in the real estate business. Would this one time activity still be considered as business activity?
Yes. Under the income tax Act even a solitary activity of this nature will be considered as an adventure in the nature of trade and taxed as business income.

99. What books of account have been prescribed to be maintained by a person carrying on business under the Income tax Act?
The Act does not prescribe any specific books of account for business. However you are expected to maintain your accounts in such a fashion that the net profit of the business can reasonably and easily be arrived at by the department. For companies the books of account are prescribed under the Companies Act. Further the Institute of Charteredd Accountants has prescribed certain accounting standards for business that are required to be audited by

them. The Income Tax department accepts the books of account maintained under these standards.

100. Are professionals required to maintain any books of account under the Income tax Act?
Yes. The following books and documents are to be maintained mandatory:
a. Cash book
b. Journal in case of mercantile system of accounting
c. Ledger
d. Carbon copies or counter foils of all bills issued, being serially numbered
e. Original copies of all expenditure bills. Signed vouchers where bills not available for less than Rs.50.

101. I am a small time trader. Do I need to maintain any accounts?
Any business or profession that has an annual turnover/gross receipts exceeding rupees ten lakh and net profit of rupees one lakh twenty thousand, must maintain such books of account and documents from which its income can be reasonably ascertained by the department.

102. Where should the books of account of my business be kept and for how long?
All the books of account and related documents should be kept at the main place of business ie where the business or profession is generally carried on. These should be preserved for a minimum of six years.

103. Do I have to keep an accountant to maintain my account?
This depends upon your ability and need. You may even prefer to use the accounting software available in the market. However, you should remember that in case of turnover exceeding rupees forty lakh per annum (60 lakhs wef 01-04-2010)in a business and gross receipts exceeding rupees ten lakh (15 lakhs wef 01-04-2010) per annum in a profession, a professional charted accountant must audit your accounts.

104. What is meant by audit of the books of account?
Auditing means checking the correctness and genuineness of your accounts and verifying whether accounting principles and standards

have been properly followed in conduct of your business and preparation of accounts. Under Income Tax Act, this verification will have to be carried out by an independent Chartered Accountant.

105. In my business it is impossible to issue bills for every transaction. How can I be expected to maintain proper accounts?
There can be no excuse for not maintaining the bill books. However, if you are a individual, HUF, firm (Not being LLP) carrying smalltime business (except the business of plying hiring or leasing goods carriage) with your annual turnover less than Rs.40 lakh (Rs. 60 lakh from 01-04-2010), then you are permitted to declare your income on presumption at 8% of your actual sales. [U/s 44AD]. In that event no books of account need be maintained. Similarly, Transporters owning less than 10 goods carriage can also avail the benefit of presumptive income scheme without maintenance of books of account. However, if you declare your income below the minimum level/percentage provided under the scheme, you will necessarily have to maintain the books and get them audited.

106. I am a medical practitioner. Do I need to maintain any accounts?
Yes. All the books and document prescribed for professional need to be maintained. Additionally, a daily case register in prescribed form no.3C and an inventory of drugs, consumables and other stocks also need to be maintained.

107. Can an electric contractor also avail the benefit of deemed income provision?
No. These provisions are specifically for civil contractors.

108. I own 7 cars that are let out on hire to various organizations. Am I also eligible to declare presumptive income without maintaining any books?
No. The scheme is applicable to owners of goods carriages.

109. What are the expenses that I can deduct from my business receipt while calculating the business profit?
Only those revenue expenses that are directly related to the earning of your business receipt can be claimed as business expenditure. Personal expenses are not allowed to be deducted.

110. What do you mean by revenue expenditure?

Revenue expenditures are those that are routine, recurring, and periodical with no enduring value beyond the financial year in which they are incurred. On the contrary capital expenditures are those that are spent on assets from which income is generated. These are normally enduring in nature.

111. In what form can I claim deductions for capital expenses incurred in my business?
The Income tax Act allows you to claim depreciation on your movable tangible and intangible assets. The rates of depreciation are different for different assets.

112. I am engaged in wholesale business and also have a commission agency. My turnover from wholesale business this year is Rs.38 lakh while my commission income is Rs.5 lakh. Do I have to get my accounts audited since the total is exceeding Rs.40 lakh?
Yes, auditing of accounts is compulsory where gross receipt of a person exceeds Rs.40 lakh (Rs. 60 lakh wef 01-04-2010).

113. I am an Insurance agent. I incur substantial expense on travel and also meet the first few insurance premia of my customers. However I have no documents to prove these expenses. How can I claim them?
If your commission earning is more than rupees sixty thousand a year, then you will have to maintain books of account and proof of expenditure. No claim for the premia payment will be allowed if the customer has claimed the same as his own expenditure.

I. Capital Gains

114. I have sold a house for Rs.5 lakh, which had been purchased by me 5 years ago for Rs.2 lakh. Am I required to pay any tax on the profit of Rs.3 lakh earned by me?
Yes. This profit, which is called capital gain, is taxable subject to certain conditions.

115. Sale of what kind of assets attracts capital gains?
All transfer of capital assets attracts capital gains. Capital assets are those properties that have an enduring value and they are not consumable.

116. What does transfer mean?

Transfer means giving up your right on an asset. It includes sale, exchange, compulsory acquisition under any law, relinquishment etc

117. Does the capital gain tax differ according to my period of holding an asset?
Yes. If assets are held for more than 36 continuous calendar months prior to transfer they are called long-term assets and their transfer results in long-term capital gain that is taxed at the rate of 20%. The only exception to this general rule is in respect of securities for which the period of holding prior to transfer is 12 months to be considered as long-term capital asset and the rate of tax is nil, provided securities transaction tax has been paid. Any transfer of assets held for lesser than these periods would result in short-term capital gain. This is taxed at normal rates in respect of all assets except securities. For securities the rate of tax is 10% along with payment of securities transaction tax.

118. Can I get any benefit for erosion in the value of money over the years while calculating my gain on sale of asset?
Yes. To neutralize the erosion of value of money over the years the cost index for the year of sale is factored in while calculating the cost of investment so that the impact of inflation is neutralized and only the actual gain to the seller is brought to tax.

119. I have sold a property and made profit. If the sale amount is reinvested in purchase of a site, is my profit exempt from tax?
No. For getting exemption the nature of property sold is relevant. If you have sold a residential property, the gain received on sale should be reinvested in another residential property [which may include land and building] to qualify for exemption [section 54]. Even if you have sold a property other than a residential property, you will qualify for exemption only if the net consideration is reinvested in a residential property which may include land and building [section 54F].

120. If I sell my land will I be taxed?
Gain from sale of non-agriculture land is taxable as capital gain. Gain from sale of agriculture land is taxable only if it is located within 8 kilometers from the urban limits.

J. Tax Deduction at Source

121. What is TDS?
TDS means Tax Deducted at Source. It is the amount withheld from payments of various kinds such as salary, contract payment, commission etc. This withheld amount can be adjusted against your tax due.

122. Is TDS relevant for me as a businessman?
Yes. Payments may be made to you after TDS. You can adjust this against your final tax liability. You are also required to effect TDS while making business payments. Failure to do so will result in the entire of expenditure being disallowed as your business expenditure and taxed as income.

123. I have made some deposits with a bank on which annual interest is around Rs.15000. My income is below taxable limit. The banker wants to deduct tax. What do I do?
You can file a self-declaration to the banker in form 15H stating that your income is below taxable limit. The form is available with your banker, the local Income-Tax office and can be downloaded from the website http://www.incometaxindia.gov.in/. This form should be filed before the interests begin to accrue in the fixed deposit account, since the declaration has no retrospective effect.

124. I have let out a property for Rs.20,000 per month. The tenant is deducting tax that is more than my tax liability. What can I do under this circumstance?
If you compute your tax liability and find it to be lower than the tax being deducted, you may approach your assessing officer by filing Form 13. He will issue a certificate directing the tenant to make TDS at a lesser rate. This form is available with the local Income tax office or can be downloaded from the website www.incometaxindia.gov.in.

125. I have deducted tax from payments disbursed but used the same for some urgent financial needs. What are the consequences?
It is an offence to misuse the tax deducted at source. It should have been remitted to government account within the time allowed. The failure attracts tax, interest, penalty and also rigorous imprisonment up to seven years

126. What can I do if I am unable to get the TDS certificate [form-16 or 16A]?

It is the duty of every person deducting tax to issue TDS certificate. In spite of your asking if you are denied the certificate then there is a chance that the tax deducted has not been deposited by the deductor to the government account. Please inform the department [PRO or TDS section] which will then do the needful.

127. I have not received TDS certificate from my employer. Can I claim TDS deducted from my salary?
Yes. The claim can be made in your return. Department however will raise a demand which will not be enforced on you but on your employer.

128. If the employer does not deduct tax and employee also does not pay his due tax, who will be held responsible for tax payment?
The ultimate responsibility to pay tax rests on the person who has earned income. If the employee deposits such tax then the employer will be liable for interest and penalty for failure to deduct tax.

129. I am buying a property from a person residing in USA. Should I deduct tax while making payment?
Yes u/s 195. In case you have any doubt regarding the amount on which TDS is to be made, you may file an application with the officer handling non-resident taxation who will pass an order determining the TDS to be made. Alternatively, if the recipient feels that the TDS is more he may file an application with his Assessing officer for non-deduction.

130. Can I use PAN to pay the TDS deducted into government account?
No. You are required to take a separate Tax Deduction Account Number [TAN] by making an application in form 49B with the Tin facilitation center of NSDL.

131. In case the deductee comes back stating that the original TDS certificate is lost, whether a duplicate certificate can be issued?
Yes. The deductor will have to issue the certificate in a plain paper giving necessary details of deduction and remittance.

L. Assessment

132. What is the mechanism by which the department checks the correctness of my return of income? Would I be given an opportunity to present my views during the course of such verification?
Based on information available with the department a small percentage of returns are picked up for verification. This process is called scrutiny. You will be given full opportunity to put forth views and evidences to support your claims.

133. What recourse is available to me if I am unhappy with the order passed by my Assessing officer?
The Income tax Act has provided for filing appeals in such cases. The first appellate authority is the Commissioner (Appeals). Subsequently the matter can be taken to the Income Tax Appellate Tribunal, then to the High Court and Supreme Court.

134. Some demand has been raised by my Assessing officer after assessment. Can I pay this demand in installments or seek time till my appeal is settled?
Yes. You may approach your Assessing officer within 30 days of receipt of demand notice for installments or stay or seek time for payment. However you are liable to pay interest for delay in payment of demanded tax.

NEW TDS RULES Notified

Income-Tax (First Amendment) Rules, 2010

Notification No. 9/2010/F.No. 142/27/2009-SO(TPL), dated 17-2-2010

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 Income-tax (**First Amendment**) Rules, 2010.
   (2) They shall come into force from the 1st day of April, 2009.

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

(a) for rules 30, 31 and 31A the following rules shall be substituted, namely:-

Time and mode of payment to Government account of tax deducted at source or tax paid under sub-section (1A) of section 192.

30. (1) All sums deducted in accordance with the provisions of sections 192 to 194, section 194A, section 194B, section 194BB, section 194C, section 194D, section 194E, section 194EE, section 194F, section 194G, section 194H, section 194-I, section 194J, section 194K, section 194LA, section 195, section 196A, section 196B, section 196C and section 196D shall be paid to the credit of the Central Government.

(*a*) in the case of deduction by or on behalf of the Government, on the same day;

(*b*) in the case of deduction by or on behalf of persons other than those mentioned in clause (*a*),-

(*i*) in respect of sums deducted in accordance with the provisions of section 193, section 194A, section 194C, section 194D, section 194E, section 194G, section 194H, section 194-I, section 194J, section 195, section 196A, section 196B, section 196C and section 196D-

(*1*) where the income by way of interest on securities referred to in section 193 or the income by way of interest referred to in section 194A or the sum referred to in section 194C or the income by way of insurance commission referred to in section 194D or the payment to non-resident sportsmen or sports associations referred to in section 194E or the income by way of commission, remuneration or prize on sale of lottery tickets referred to in section 194G or the income by way of commission or brokerage referred to in section 194H or the income by way of rent referred to in section 194-I or the income by way of fees for professional or technical services referred to in section 194J or the interest or any other sum referred to in section 195 or the income of a foreign company referred to in sub-section (2) of section 196A or the income from units referred to in section 196B or the income from foreign currency bonds or shares of an Indian company referred to in section 196C or the income of Foreign Institutional Investors from securities referred to in section 196D is credited by a person to the account of the payee as on the date up to which the accounts of such person are made, within two months of the expiration of the month in which that date falls;

(*2*) in any other case, within one week from the last day of the month in which the deduction is made; and

(*ii*) in respect of sums deducted in accordance with the other provisions within one week from the last day of the month in which the deduction is made:

Provided that the Assessing Officer may, in special cases, and with the approval of the Joint Commissioner-

(*a*) in cases falling under sub-clause (*i*), permit any person to pay the income-tax deducted from any income by way of interest, other than income by way of interest on securities or any income by way of insurance commission or any income by way of commission or brokerage referred to in section 194H quarterly on July 15, October 15, January 15 and April 15; and

(*b*) in cases falling under sub-clause (*ii*), permit an employer to pay income-tax deducted from any income chargeable under the head "Salaries" quarterly on June 15, September 15, December 15 and March 15.

(1A) All sums paid under sub-section (1A) of section 192 shall be paid to the credit of the Central Government

(*a*) in the case of payment on behalf of the Government, on the same day;

(*b*) in all other cases, within one week from the last day of each month on which the income-tax is due under sub-section (1B) of section 192.

(2) The person responsible for making the deduction from any income chargeable under the head "Salaries" or, the person who pays tax, referred to in sub-section (1A) of section 192 or, in cases covered by sub-section (5) of section 192, the trustees shall pay the amount of tax so deducted to the credit of the Central Government by remitting it within the time prescribed in sub-rule (1) into any branch of the Reserve Bank of India or of the State Bank of India or of any authorized bank accompanied by an income-tax challan :

Provided that where the deduction or payment, as the case may be, is made by or on behalf of Government, the amounts shall be credited within the time and in the manner aforesaid without the production of a challan.

(3) The person responsible for making deduction under sections 193, 194, 194A, 194B, 194BB, 194C, 194D, 194E, 194EE, 194F, 194G, 194H, 194-I, 194J, 194K, 195, 196A , 196B , 196C and 196D shall pay the amount of tax so deducted to the credit of the Central Government by remitting it within the time prescribed in sub-rule (1) into any branch of the Reserve Bank of India or of the State Bank of India or of any authorized bank accompanied by an income-tax challan, provided that where the deduction is made by or on behalf of Government the amount shall be credited within the time and in the manner aforesaid without the production of a challan.

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 to be furnished by any person deducting tax in accordance with the provisions of-

(*a*) section 192 shall be in **Form No. 16:**

Provided that in the case of an individual, resident in India, where his income from salaries before allowing deductions under section 16 of the Income-tax Act, 1961 does not exceed rupees one lakh fifty thousand, the certificate of deduction of tax at source shall be in **Form No. 16AA**;

(b) section 193, section 194, section 194A, section 194B, section 194BB, section 194C, section 194D, section 194E, section 194EE, section 194F, section 194G, section 194-I, section 194J, section 194K,section 194LA, section 195, section 196A, section 196B, section 196C and section 196D shall be in **Form No. 16A**.

(2) The certificate mentioned in sub-rule (1) shall be furnished within a period of one month from the end of the month during which the credit has been given or the sums have been paid or, as the case may be, a cheque or warrant for payment of any dividend has been issued to a shareholder:

Provided that where the income by way of interest on securities referred to in section 193 or the income by way of interest referred to in section 194A or the sum referred to in section 194C or the income by way of insurance commission referred to in section 194D or the payment to non-resident sportsmen or sports associations referred to in section 194E or the income by way of commission, remuneration or prize on sale of lottery tickets referred to in section 194G or the income by way of commission or brokerage referred to in section 194H or the income by way of rent referred to in section 194-I or the income by way of fees for professional or technical services referred to in section 194J or the interest or any other sum referred to in section 195 or the income of a foreign company referred to in sub-section (2) of section 196A or the income from units referred to in section 196B or

the income from foreign currency bonds or shares of an Indian company referred to in section 196C or the income of Foreign Institutional Investors from securities referred to in section 196D is credited by a person to the account of the payee as on the date up to which the account of such person are made, the certificate under sub-rule (1) shall be issued within a week after the expiry of two months from the month in which income is so credited :

Provided further that the certificate in the case of deduction of tax under sub-section (1) of section 192 or, payment of tax by the employer on behalf of the employee, under sub-section (1A) of that section or section 194D may be furnished within one month from the close of the financial year in which such deduction was made :

Provided also that the certificate in cases, other than those mentioned in the second proviso, where payment of income-tax deducted is permitted quarterly in accordance with clause (*a*) of the proviso to clause (*b*) of sub-rule (1) of rule 30 may be furnished within fourteen days from the date of payment of income- tax:

Provided also that where more than one certificate is required to be furnished to a payee for deductions of income-tax made during a financial year, the person deducting the tax, may on request from such payee, issue within one month from the close of such financial year a consolidated certificate in **Form No. 16A** for tax deducted during whole of such financial year.

(3) Where in a case, the TDS certificate issued under this rule is lost, the person deducting tax at source may issue a duplicate certificate of deduction of tax at source on a plain paper giving necessary details as contained in **Form No. 16** or **Form No. 16A** , as the case may be.

(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 get the payment certified from the Assessing Officer designated in this behalf by the Chief Commissioner or the Commissioner and shall also obtain an Indemnity Bond from the assessee.

Quarterly statement of deduction of tax under sub-section (3) of section 200.

31A. (1) Every person, being a person responsible for deducting tax under Chapter XVII-B shall, in accordance with the provisions of sub-section (3) of section 200, deliver or cause to be delivered to the Director-General of Income-tax (Systems) or the person authorized by the Director General of Income-tax (Systems), quarterly statement-

(i) in Form No. 24Q in respect of deduction of tax at source under sub-sections (1) and (1A) of section 192; and

(*ii*) in Form No. 26Q in respect of other cases of deduction of tax at source,

on or before the 15th July, the 15th October, the 15th January in respect of the first three quarters of the financial year and on or before the 15th June following the last quarter of the financial year :

Provided that where-

(a) the deductor is an office of Government; or

(b) the deductor is a company; or
(c) the deductor is a person required to get his accounts audited under section 44AB in the immediately preceding financial year; or
(d) the number of deductees' records in a quarterly statement for any quarter of the immediately preceding financial year is equal to or more than fifty, the person responsible for deducting tax at source, and the principal officer in the case of a company shall deliver or cause to be delivered such quarterly statements on computer media (3.5" 1.44 MB floppy diskette or CD-ROM of 650 MB capacity):

Provided further that a person other than a person referred to in the first proviso, responsible for deducting tax at source, may at his option, deliver or cause to be delivered the quarterly statements on computer media (3.5" 1.44 MB floppy diskette or CD-ROM of 650 MB capacity):

Provided also that a person responsible for deducting tax at source from the payments referred to in rule 37A shall furnish quarterly statements in accordance with the provisions of rule 37A and rule 37B.

(2) The person responsible for deducting tax at source and preparing quarterly statements shall-

(i) quote his tax deduction and collection account number (TAN) and permanent account number (PAN) in the quarterly statement:

Provided that the permanent account number shall not be required to be quoted where tax has been deducted by or on behalf of the Government;

(ii) quote the permanent account number of all persons in respect of whose income, tax has been deducted:

Provided that the permanent account number shall not be quoted in respect of the persons to whom the second proviso to sub-section (5B) of section 139A of the Act applies;

(*iii*) furnish particulars of the tax paid to the Central Government.

(3) The person responsible for deducting tax at source and preparing quarterly statements on computer media shall, in addition to the provisions in sub-rule (2),-

(i) prepare the quarterly statement as per the data structure provided by the e-filing Administrator designated by the Board for the purposes of administration of Electronic Filing of Returns of Tax Deducted at Source Scheme, 2003 supported by a declaration in Form No. 27A in paper format:

Provided that in case any compression software has been used for preparing the quarterly statement on computer media, such compression software shall be furnished on the same computer media;

(*ii*) affix a label indicating name, permanent account number, tax deduction and collection account number and address of the person responsible for deduction of tax at source, the period to which the statement pertains and the volume number of the said computer media in case more than one volume of such media is used.

(b) after rule 31A the following rule shall be inserted, namely:-

Quarterly statement of collection of tax under sub-section (3) of section 206C.

31AA. (1) Every person, being a person responsible for collecting tax under section 206C shall, in accordance with the proviso to sub-section (3) of section 206C, deliver or cause to be delivered to the Director-General of Income-tax (Systems) or the person authorized by the Director General of Income-tax (Systems), quarterly statement in Form No. 27EQ on or before the 15th July, the 15th October, the 15th January in respect of the first three quarters of the financial year and on or before the 30th April following the last quarter of the financial year :

Provided that where-
(a) the collector is an office of Government; or
(b) the collector is a company; or
(c) the collector is a person required to get his accounts audited under section 44AB in the immediately preceding financial year; or
(d) the number of collectees' records in a quarterly statement for any quarter of the immediately preceding financial year is equal to or more than fifty, the person responsible for collecting tax at source, and the principal officer in the case of a company shall deliver or cause to be delivered such quarterly statements on computer media (3.5" 1.44 MB floppy diskette or CD-ROM of 650 MB capacity):

Provided further that a person other than a person referred to in the first proviso, responsible for collecting tax at source, may at his option, deliver or cause to be delivered the quarterly statements on computer media (3.5" 1.44 MB floppy diskette or CD-ROM of 650 MB capacity).

(2) The person responsible for collecting tax at source and preparing quarterly statements shall,-

(*i*) quote his tax deduction and collection account number (TAN) and permanent account number (PAN) in the quarterly statement:

Provided that the permanent account number shall not be required to be quoted where tax has been collected by or on behalf of the Government;

(*ii*) quote the permanent account number of all persons in respect of whose income, tax has been collected;
(*iii*) furnish particulars of the tax paid to the Central Government.

(3) The person responsible for collecting tax at source and preparing quarterly statements on computer media shall, in addition to the provisions in sub-rule (2),-

(*i*) prepare the quarterly statement as per the data structure provided by the e-filing Administrator designated by the Board for the purposes of administration of Electronic Filing of Returns of Tax Collected at Source Scheme, 2005 supported by a declaration in Form No. 27B in paper format:

Provided that in case any compression software has been used for preparing the quarterly statement on computer media, such compression software shall be furnished on the same computer media;

(ii) affix a label indicating name, permanent account number, tax deduction and collection account number and address of the person responsible for collection of tax at source, the period to which the statement pertains and the volume number of the said computer media in case more than one volume of such media is used"

(c) after rule 37 the following rule shall be inserted, namely:-

Returns regarding tax deducted at source in the case of non-residents.

37A. The person making deduction of tax in accordance with sections 193, 194, 194E, 195, 196A, 196B, 196C and 196D of the Act from any payment made to,-

(i) a person, not being a company, who is a non-resident or a resident but not ordinarily resident, or
(*ii*) a company which is neither an Indian company nor a company which has made the prescribed arrangements for the declaration and payment of dividends within India ;

shall send within fourteen days from the end of the quarter a statement in Form No. 27Q to the Director General of Income-tax (Systems) or the person or agency authorized by the Director General of Income-tax (Systems) referred to in rule 36A :

Provided that where the income by way of interest on securities referred to in section 193 or the payment to non-resident sportsmen or sports associations referred to in section 194E or the interest or any other sum referred to in section 195 or the income of a foreign company referred to in sub-section (2) of section 196A or the income from units referred to in section 196B or the income from foreign currency bonds or shares of an Indian company referred to in section 196C or the income of Foreign Institutional Investors from securities referred to in section 196D is credited by a person to the account of the payee as on the date up to which the accounts of such person are made, the statement in Form No. 27Q shall be sent within fourteen days after the expiry of two months from the month in which income is so credited."

(d) 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 section 206C.

37CA. (1) All sums collected in accordance with the provisions of sub-section (1) or sub-section (1C) of section 206C shall be paid to the credit of the Central Government within one week from the last day of the month in which the collection is made.

(2) The person responsible for making collection under sub-section (1) or sub-section (1C) of section 206C shall pay the amount of tax so collected to the credit of the Central Government by remitting it within the time prescribed in sub-rule (1) into any branch of the Reserve Bank of India or of the State Bank of India or of any authorized bank accompanied by an income-tax challan:

Provided that where the collection is made by or on behalf of the Government, the amount shall be credited within the time and in the manner aforesaid without the production of a challan.

Certificate for collection of tax at source under section 206C (5).

37D. (1) The certificate of collection of tax at source under sub-section (5) of section 206C to be furnished by any person collecting tax at source under sub-section (1) or sub-section (1C) of that section shall be in **Form No. 27D**.

(2) The certificate referred to in sub-rule (1) shall be furnished within a period of one month from the end of the month during 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:

Provided that where more than one certificate is required to be furnished to a buyer or licensee or lessee for tax collected at source in respect of the period ending on the 30th September and the 31st March in each financial year, the person collecting the tax, may on request from such buyer or licensee or lessee , issue within one month from the end of such period, a consolidated certificate in Form No. 27D for tax collected during whole of such period.

(3) Where in a case, the certificate for tax collected at source issued under this rule is lost, the person collecting tax at source may issue a duplicate certificate of collection of tax at source on a plain paper giving necessary details as contained in Form No. 27D.

(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 get the payment certified from the Assessing Officer designated in this behalf by the Chief Commissioner or Commissioner and shall also obtain an Indemnity Bond from the assessee.

(e) for Form No.16 and Form no. 16A the following forms shall be substituted, namely:-

PIN CODES FOR LUCKNOW:

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

Area	PIN	Area	PIN
Hasnain Market	226003	Manas Nagar	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
Ashok Marg	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
Chowk	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
Maharishi Vidya Mandir	226020	Rahim Nagar Padiana	226005
Malesemau	226010	Raja Bazar	226003
R P Line	226007	Rajajipuram	226017
Manaknagar	226011	Rajauli	226026

Area	PIN	Area	PIN
Rajendranagar	226004	Sujanpura	226005
Roberts Line	226002	Sunderbagh	226018
Saadatganj	226003	Thakurganj	226003
Sadrauna	226008	Tirwa	226005
Sanatan Dharam Vidya Peeth	226026	Topkhana Bazar	226002
Sant Market	226006	Triveni Nagar	226020
Sarai Mali Khan	226003	U I C Mill	226006
Sarfraj	226003	Ujariaon	226010
Sarojini Nagar	226008	Utrathia	226002
Sarvoday Nagar	226016	Victoriaganj	226003
Sitapur Road, Sec-C	226021	Vikas Nagar	226022
Secretariat	226001	Wazirganj	226018
Shivaji Marg	226018	Yahiaganj	226003
Singar Nagar	226005	Zarda	226003

EMI CHARTS MONTHLY REDUCING FOR A LOAN OF RS. 100000/-

Years	8%	9%	10%	11%	12%	13%	14%	15%	16%
1	8699	8746	8792	8839	8885	8932	8979	9026	9074
2	4523	4569	4615	4661	4708	4755	4802	4849	4897
3	3134	3180	3227	3274	3322	3370	3418	3467	3516
4	2442	2489	2537	2585	2634	2683	2733	2784	2835
5	2028	2076	2125	2175	2225	2276	2327	2379	2432
6	1754	1803	1853	1904	1956	2008	2061	2115	2170
7	1559	1609	1661	1713	1766	1820	1875	1930	1987
8	1414	1466	1518	1571	1626	1681	1738	1795	1853
9	1302	1355	1408	1463	1519	1576	1634	1693	1753
10	1214	1267	1322	1378	1435	1494	1553	1614	1676
11	1142	1197	1252	1310	1368	1428	1489	1551	1615
12	1083	1139	1196	1254	1314	1375	1438	1501	1566
13	1034	1090	1148	1208	1269	1332	1396	1461	1527
14	992	1049	1109	1170	1232	1296	1361	1428	1495
15	956	1015	1075	1137	1201	1266	1332	1400	1469

Year	8.25%	9.25%	10.25 %	11.25 %	12.25 %	13.25 %	14.25 %	15.25 %	16.25 %
1	8711	8757	8804	8850	8897	8944	8991	9038	9085
2	4535	4580	4627	4673	4720	4766	4814	4861	4909
3	3146	3192	3239	3286	3334	3382	3430	3479	3529
4	2454	2501	2549	2597	2646	2696	2746	2796	2847
5	2040	2088	2138	2187	2238	2289	2340	2393	2446
6	1766	1815	1866	1917	1969	2021	2074	2129	2183
7	1572	1622	1674	1726	1779	1833	1888	1944	2001
8	1427	1479	1531	1585	1640	1695	1752	1810	1868
9	1315	1368	1422	1477	1533	1590	1649	1708	1768
10	1227	1281	1336	1392	1450	1508	1568	1629	1691
11	1156	1210	1267	1324	1383	1443	1505	1567	1631
12	1097	1153	1210	1269	1329	1391	1453	1518	1583
13	1048	1105	1163	1223	1285	1348	1412	1477	1544
14	1006	1064	1124	1185	1248	1312	1378	1444	1512
15	971	1030	1090	1153	1217	1282	1349	1417	1487

Year	8.50%	9.50%	10.50 %	11.50 %	12.50 %	13.50 %	14.50 %	15.50 %	16.50 %
1	8722	8769	8815	8862	8909	8956	9003	9050	9097
2	4546	4592	4638	4685	4731	4778	4825	4873	4921
3	3157	3204	3251	3298	3346	3394	3443	3492	3541
4	2465	2513	2561	2609	2658	2708	2758	2809	2860
5	2052	2101	2150	2200	2250	2301	2353	2406	2459
6	1778	1828	1878	1930	1982	2034	2088	2142	2197
7	1584	1635	1687	1739	1793	1847	1902	1958	2015
8	1440	1492	1545	1598	1653	1709	1766	1824	1883
9	1328	1381	1436	1491	1547	1605	1663	1723	1783
10	1240	1294	1350	1406	1464	1523	1583	1645	1707
11	1169	1224	1281	1339	1398	1458	1520	1583	1647
12	1111	1167	1225	1284	1344	1406	1469	1534	1599
13	1062	1119	1178	1238	1300	1363	1428	1494	1561
14	1020	1079	1139	1201	1264	1328	1394	1461	1530
15	985	1045	1106	1169	1233	1299	1366	1434	1504

Year	8.75%	9.75%	10.75 %	11.75 %	12.75 %	13.75 %	14.75 %	15.75 %	16.75 %
1	8734	8780	8827	8874	8921	8967	9015	9062	9109
2	4558	4603	4650	4696	4743	4790	4837	4885	4933
3	3169	3215	3263	3310	3358	3406	3455	3504	3553
4	2477	2525	2573	2622	2671	2721	2771	2822	2873
5	2064	2113	2162	2212	2263	2314	2366	2419	2472
6	1791	1841	1891	1943	1995	2048	2101	2156	2211
7	1597	1648	1700	1752	1806	1861	1916	1972	2030
8	1453	1505	1558	1612	1667	1723	1781	1839	1898
9	1342	1395	1449	1505	1562	1619	1678	1738	1799
10	1254	1308	1364	1421	1479	1538	1599	1660	1723
11	1183	1238	1295	1354	1413	1474	1536	1599	1663
12	1124	1181	1239	1299	1360	1422	1485	1550	1616
13	1076	1134	1193	1254	1316	1380	1444	1510	1578
14	1035	1094	1154	1216	1280	1345	1411	1478	1547
15	1000	1060	1121	1185	1249	1315	1383	1452	1522

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/


ASIA-PACIFIC INSTITUTE OF MANAGEMENT
Admission Announcement
Two year Full-time Post-Graduate Programmes
(Approved by AICTE, Min. of HRD, Govt. of India)-Equivalent to MBA
• Post Graduate Diploma in Management (PGDM)
• Post Graduate Diploma in Management (Marketing)
• Post Graduate Diploma in Management (International Business)
• Post Graduate Diploma in Management (Banking & Financial Services)
AIM is continuously ranked among the top 20 Business Schools of India
ASIA - PACIFIC INSTITUTE OF MANAGEMENT
SELECTION PROCESS
• AIM uses CAT/MAT/XAT/GMAT for short listing candidates for all the above programmes.
• Foreign/ NRI applicants can also apply with valid GMAT scores.
• Final selection will be based on the performance in the CAT/MAT/XAT/GMAT followed by GD & PI.
Application Fee: The Prospectus and Application Forms are available on cash payment of Rs. 1500/- from AIM counter and by post on sending Demand Draft of Rs. 1,550/- or by downloading from official website. Foreign / NRI applicant can obtain the Application Form and Prospectus by sending a Demand Draft of either US $ 50/- or Rs. 2,300/- or on cash payment of Rs. 2,250/- at AIM counter. The Demand Draft should be in favour of "Asia-Pacific Institute of Management" payable at New Delhi.
Eligibility: Minimum of 3-year Bachelor's degree or equivalent in any discipline recognized by the Association of Indian Universities / AICTE as eligible for Post-Graduate Studies in Management.
For more information please log on to www.asiapacific.edu
OTHER PROGRAMMES:
AICTE approved 3 year part-time programmes (Equivalent to MBA):
• Executive Post Graduate Diploma in Management (E-PGDM)
• Executive Post Graduate Diploma in Management (Mktg.) E-PGDM (M)
SALIENT FEATURES:
• Strategically located in the corporate hub of India
• Faculty with rich industry experience
• Vibrant, self motivating environment
• Centrally air-conditioned, State-of-the-art campus with excellent infrastructure
• Digital Library, fully automated with rich print & online knowledge resources.
For admission details, please contact Admission Office at:
Asia-Pacific Institute of Management
3 & 4, Institutional Area, Jasola, New Delhi 110 025, Ph: 011-4209 4800/ 819/ 880/ 885
Toll-free No.: 1800 113334, Mob: 9311309070, 9311409070, Fax: 011-2695 1541
Email: admissions@asiapacific.edu Website: www.asiapacific.edu
For Application Form & Prospectus, contact LUCKNOW OFFICE also:
B-1/87, Vineet Khand, Gomti Nagar, Lucknow, Ph.: 0522-4071797/ 4072797/ 4071497
Mobile: 9369311650, 9369311651, Fax: 0522-4073787
AIM
We shape future
Estd. 1996


उच्च गुणवत्ता एवं अनुवांशिक शुद्धता का प्रतीक
यू. पी. सीड
बीज उत्पादन कार्यक्रम के माध्यम से प्रदेश के किसानों को उद्यमी एवं आत्म निर्भर बनाने के लिए सतत् तत्पर
प्रदेश के किसानों को उचित मूल्य पर प्रमाणित बीज उपलब्ध कराने हेतु कटिबद्ध
उ0 प्र0 बीज विकास निगम
सी. 973-74 बी, फैजाबाद रोड, महानगर, लखनऊ-226006
दूरभाष : 0522-2385356, 2384802, 2385832
फैक्स : 0522-2384845

R. K. Awasthi

'A' Class Govt. Contractors
Road Work
RMC (concrete) Work
Earth Work
Hiring of Transit Mixers (TM) & Machinery
Petrol Pump – Bharat Petroleum

H – 329, Indralok, Krishna Nagar, Lucknow
Tel: 0522-4006434, 9935091137, 9935091136
Email: rkawasthi37@gmail.com

Ramprastha Builders Pvt. Ltd.

2, 3 & 4 Bedroom flats are available at Gurgaon in

Ramprastha City

The Edge Towers

- **A Township spread over 450 acres.**
- **0-Km from Dwarka Expressway & Metro Stations.**
- **15 min. drive from IGI Airport.**
- **Right opposite to Reliance SEZ.**
- **Installment Facility Available.**

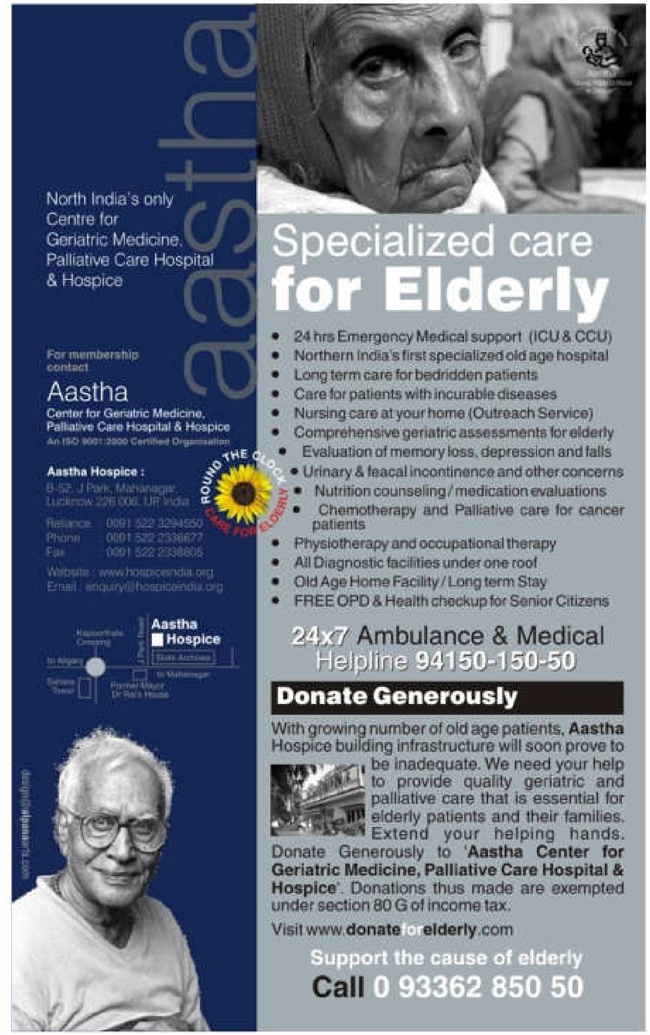
Complete with ULTRA MODERN AMENITIES like School, Hospital, Hotel, Shopping Mall, Multiplex, Golf Club (Driving Range) & Club (Gymnasium, Swimming Pool, Tennis Court, Badminton Court, Basket ball Court etc.) and a Temple, The EDGE TOWERS has a great planned infrastructure to boast of.

Registered Office :

C-10, C Block Market, Vasant Vihar, N. Delhi-110057
Tel.: 011-46012071-75, Fax: 011-46012076

Corporate Office :

114, Sec.- 44, Gurgaon, Haryana- 122002
Tel.: 0124-4333444/ Fax: 0124-4333433
logon : www.ramprastha.com



FEEDBACK FORM

From: Name: Address: Occupation: Contact No.: 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.