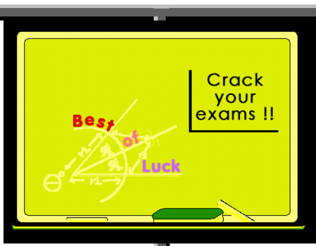

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REVISION SUMMARY OF

(Assessment Year 2010 - 2011)

And others Notes & Assignments *at*

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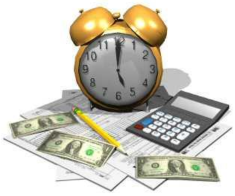


REVISION SUMMARY OF TAX

(Assessment Year 2010 - 2011)

Revision Summary of 'Income from Salary'

(Estimated Time Allocated – 20 Minutes)

Basis of Charge [Section 15]

Salary is taxable on due basis or on receipt basis, whichever is earlier

Gratuity [Section 10(10)]

(a) Government Employee - Fully Exempt

(b) Employee covered by Gratuity Act -

- (i) Rs. 3,50,000
- (ii) 15/26 x Last drawn salary x No. of completed years plus excess of six months
- (iii) Actual received

(c) Any Other Employees

- (i) Rs. 3,50,000
- (ii) 15/30 x Average Salary of 10 months x No. of comp. years
- (iii) Actual received

Pension [Section 10(10A)]

- Uncommuted pension - fully taxable
- Commputed pension -
  - (a) Government Employee - fully exempt
  - (b) Non-Govt. Employee (receive gratuity also) - 1/3 of full value of pension
  - (c) Non-Govt. Employee (not receive gratuity) - ½ of full value of Pension

Leave Salary [Section 10(10AA)]

(i) Govt. Employee - fully exempt

(ii) Non-Govt. Employee -

- (a) maximum 30 days p.a. x completed year of service x avg. salary of last ten months
- (b) Average salary x 10 months
- (c) Rs. 3,00,000.
- (d) Actual received

Retrenchment Compensation [Section 10(10B)]

(i) Amount calculated in accordance with Industrial disputes act, 1947

(ii) Rs. 5,00,000

(iii) Actual received

Voluntary Retirement [Section 10(10C)] & Rule 2BA

(i) 10 years of service or 40 years of age
(ii) for all employees (except directors of the company)
(iii) Reduction in number of employees
(iv) Not to be filled up. (v) No same management.
(vi) (a) Last drawun salary x 3 months x No. of completed years of service.
(b) Last drawn salary x balance of months of service left.
(c) Actual amount received. (d) Rs. 5,00,000.

Provident Fund

(i) **RPF** - Employer's contribution - excess of 12% of salary (Taxable)
Interest on provident fund - excess of 9.5% (Taxable)
(ii) **Unrecognised provident fund -** Employer's contribution - Taxable (Salary)
Interest on Employer's contribution - Taxable (Salary)
Interest on Employee's contribution - Taxable (Other sources)

Allowances

(1) Fully Taxable Allowances
(2) Allowances exempt upto specified limit
(A) House rent allowance [Section 10(13A)] -
(i) Actual allowance received (ii)Rent paid - 10% of salary
(iii) 50% of salary - If the accommodation is in M, K, D, C
40% of salary - for any other place.
(B) Actual amount received or amount spent whichever is less(Exempt)
(i) Travelling , (ii) Daily, (iii) Conveyance, (iv) Helper, (v) Academic, (vi) Uniform
(C) Amount received or the limit specified- whichever is less is exempt.
(i) Children education allowance - Rs. 100 p.m.per child (maximum 2 children)
(ii) Hostel Expenditure allowance - Rs. 300 p.m. per child (maximum 2 children)
(iii) Transport Allowance - Rs. 800 p.m. (Rs. 1600 p.m. for blind/handicapped)
(iv) Allowances allowed to transport employees (who not received daily allowance)
(a) 70% of such allowance, or (b) Rs. 6000 p.m. (whichever is less)
(v) Tribal Area allowance - Rs. 200 p.m.
(vi) Underground allowance - Rs. 800 p.m.
(3) Fully exempted allowances
(i) Foreign (Govt. Employee) (ii) HC or SC Judge (iii) U.N.O.

Perquisites

(1) Taxable in the hands of all employees -
(A) Rent free accommodation -
Govt. Employee - as per Govt. rules
Non-Govt. Employee -
(i) Owned by employer - 15% of salary (in cities population exceed 25,00,000)
10% of Salary(in cities population exceeding 10,00,000 but not exceeding 25,00,000)
- 7.5% of salary (in other places)
(ii) Not owned by employer - (a) Actual rent or (b) 15% of salary (whichever is less)

(B) Valuation of monetary obligation of employee - actual expenditure -

(C) (i) Interest free loan - Interest rate of SBI or 12%p.a.(exceptions loan upto Rs. 20,000).

(ii) Use of Moveable assets - 10% p.a. of the actual cost or actual rental charge

(iii) Transfer of moveable asset

Computer and Electronic items - Dep. @ 50% for completed year (W.D.V.)

Motor Car - Dep. @ 20% for completed year (WDV)

Other Assets - Dep. @ 10% for completed year (SLM)

(2) Perquisite taxable in the hands of specified employees -

(i) Sweeper, Gardner or watchman - Actual cost

(ii) Gas, Electricity or water - Actual cost or Manufacturing cost

(iii) Education facilities - For children Rs. 1,000 p.m. (Exempt)

Specified employee means - Director, 20% (beneficial ownership), salary more than Rs. 50,000 p.a.

(3) Tax Free perquisities for all employees -

(i) Medical facilities

Medical treatment in India -

Employers hospital, Govt. Hospital, Notified hospital, Group medical Insurance, Medical Insurance u/s 80D (Fully exempt)

Any other medical expenditure - maximum of Rs. 15,000.

Medical Treatment Abroad -

Medical treatment and Stay expenses abroad - exempt (If permitted by R.B.I.)

Travel expenditure - GTI upto Rs. 2,00,000 - Fully exempt.

- GTI above Rs. 2,00,000 (fully taxable)

(ii) Leave Travel Concession [Section 10(5)] - Max. of 2 journeys in a block of 4 years (2006 - 2009) by Air/First class Air-conditioned in train by Shortest distance.

Deduction from Salary

(1) Entertainment Allowances [Section 16(ii)] - For Govt. Employee only

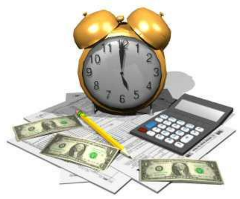
(a) Actual Amount (b) 20% of BASIC SALARY (c) Rs. 5,000

(2) Professional Tax [Section 16(iii)] - Actual amount paid

Relief available [Section 89] - Step 1 - Step 2

Meaning of Salary for different purposes -

(1) For entertainment allowances	Basic Salary only
(2) Gratuity for employees (covered under gratuity act)	Basic Salary + DA
(3) Gratuity for employees (not covered under gratuity act) (4) Leave Salary (5) Voluntary Retirement Compensation (6) Contribution to RPF (7) House Rent Allowance	Basic Salary + DA (if forming part of retirement benefit) + Commission as a fixed percentage of turnover
(8) Rent free Accommodation	Basic Salary + DA (for R.B.) + Bonus or commission + Taxable Allowances



REVISION SUMMARY OF TAX

(Assessment Year 2010 - 2011)

Revision Summary of 'Income from House Property'

(Estimated Time Allocated – 10 Minutes)

Basis of Charge [Section 22]

Annual Value - Building and Land apportionment thereto - owner - not use business or profession.
In case of composite rent - if it is inseparable (PGBP/Other Sources)

Deemed Owner [Section 27]

(1) Transfer to spouse (except agreement to live apart)
(2) Transfer to a minor child (except minor married daughter)
(3) Individual holds and impartible estate
(4) Member of co-operative society
(5) Part performance of contract u/s. 53A - Transfer of property act.
(6) Lease - Not less than 12 years.
(7) Dispute - Income receivable.

Case I - Let out for full year

Step I :- MV or FR (Higher) Step II :- Answer or SR(Lower) Step III :- Answer or AR (Higher)

Case II - Let out for full year (Sum unrealized rent)

Step III :- (i) Answer of Step II (ii) Actual rent of P/Y *less* UR (Higher)

Key Note - Condition (i) Bonafide (ii) Tenant has vacant or Steps have been taken
(iii) Tenant is not in occupation of any other property
(iv) taken all reasonable steps for the recovery of unpaid rent.

Case III - Let out for (vacancy also)

Step IV :- Determined value in Step III *less* [Actual rent per month x Vacant months]
Key Notes : In step III Actual Rent for whole of previous year

Case IV - Vacancy + Unrealised Rent

Case V - Self acquired property

Net Annual Value -- Nil
Deduction -- Interest on capital borrowed -- Rs. 30,000 (Maximum limit)
Rs. 1,50,000 -- Loan on or after 1.4.99 -- within 3 years acquired or constructed -- proof

More than one self occupied property - [Section 23(4)]

One Self occupied property = Nil (Other deemed let out)

Case VI - Self occupied + Let out

Actual Rent taken for letout period only, but municipal tax for the full P/Y.

Deduction [Section 24]

(i) Municipal Tax paid by owner
(ii) Std. deduction @ 30% of NAV.
(iii) Interest on borrowed capital (Accrual basis)

Key Note : - Interest of pre-construction period :-
Date of loan to prior to the P/Y (Completed) = 5 equal instalments

Brokerage commission (disallowed), Interest on unpaid interest (disallowed), Interest on fresh loan (allowed), Interest on borrowed capital, Payable outside India without TDS (disallowed).

Recovery of unrealised rent already reduced from the annual value for A/Y 2002-03 & onwards [Section 25 AA]

Unrealised rent recovered ***less*** Already taxed earlier (Taxable)

Arrears of Rent received [Section 25B]

Arrears of rent received ***less*** Already taxed earlier (Taxable after deducting 30%)

Co-ownership [Section 26]

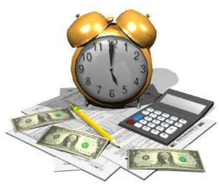
Provision of self occupied property will apply to each co-owner
Deduction upto Rs. 30,000 / Rs. 1,50,000 will be available to each co-owner.

Property Exempt from Tax

One Palace of Ex-ruler, Trade union, One self occupied property, Use for business or profession, Political Party, Charitable Purposes, Hospital

Composite Rent

Actual rent received *less* Electricity bill, Water bill, Lift maintenance expenses, Liftman salary, Salary of Gardner, Lighting of stairs.



REVISION SUMMARY OF TAX

(Assessment Year 2010 - 2011)

Revision Summary of 'PGBP'

(Estimated Time Allocated – 30 Minutes)

Chargeable under the head business or profession [Section 28]

(i) Profits and Gains of business or profession

(ii) Compensation :- Indian company, Any other company in India, Agency, Govt.

(iii) Profit on import licence, Cash assistance against exports, Duty Draw back

(iv) Value of benefit or perquisite arising from business / profession

(v) Salary received by a partner of a firm.

(vi) (a) Not carrying out any activity, (b) Not sharing any know how

(vii) Keyman Insurance Policy

(viii) Any sum received or receivable on account of any capital assets, in respect of which deduction has been allowed under section 35AD.

Business must be carried on during the P/Y

Exceptions - Recovery against any loss, Balancing charge, Sale of Scientific Research assets, Recovery against bad debts, Amount withdrawn from special reserve.

Method of Accounting [Section 145]

Cash or mercantile system (option of assessee)

Two Accounting Standards in mercantile system

AS I :- Disclosure of Accounting Policies

AS II :- Prior period and extra ordinary items and changes in accounting policies

Admissible Deduction [Section 30 - 37]

Rent, rates, taxes, repairs and insurance for buildings [Section 30]

Repairs and Insurance of machinery, Plant and Furniture [Section 31]

Only revenue expenditure

Depreciation [Section 32]

Owner -- must used in Business or Profession -- relevant P/Y -- eligible assets -- WDV method

Block of Assets [Section 2(11)] :- Same nature -- same rate

Rates of Depreciation for various block of assets

(I) Building :- Residential (5%), Non residential (10%), Temporary Structure (100%)

(II) Furniture & Fittings (10%)

(III) Plant & Machinery :- General rate (15%), Books for profession and library (100%), Motor Car for Hire (30%), Motor Car for business (15%), Computer (60%), Ships (20%),

(IV) Intangible Assets (25%)

Additional Depreciation [Section 32(1) (iia)]

Only for manufacturing business -- any new machinery or plant (other than ships and aircrafts) installed after 31.3.2005 -- @20% of actual cost

Condition :- No second hand, not installed in office, no road transport vehicle, no deduction in one P/Y

Short Term Capital Gain for Depreciable Assets

(i) When entire block are not tranferred --

Consideration for transferred *less* Expenses of transferred, Opening WDV, Purchase

-- If the difference is a profit it is taxable as STCG

-- If the difference is loss, it is claimed depreciation u/s 32

If assets purchase during relevant P/Y -- Put to use less than 180 days (dep. 50% of prescribed rate)

Depreciation for undertaking engaged in generation & distribution of power

WDV or Straight line method (option of Assessee)

Consequence if the above assets are sold

Depreciation on the basis of WDV :- Same Treatment as done in Block concept.

Depreciation on the basis of SLM.

(i) WDV - Sale Price = Terminal Depreciation (allowed in PGBP)

(ii) Sale price (not more than actual cost) - WDV = Balancing charge(Taxable in PGBP)

(iii) Sale price (more than actual cost) - Actual Cost = Capital Gain

Set-off and carry forward of unabsorbed depreciation [Section 32(2)]

Same head -- any head of income -- Carry forward to any number of years

	Tea Development Account [Section 33AB]	Site Restoration Fund A/c [Section 33ABA]
Applicable	Tea or Coffee or Rubber	Petroleum or Natural Gas
Time Limit	Six months from end of P/Y or before ROI	Before end of P/Y
Deposit	NABARD or TCR Board	SBI or Scheme of Ministry of P & G.
Deduction	40% of profits of such business (max. limit)	20% profit of such business (maximum limit)

◆ Common Provision in case of Section 33AB / 33ABA

Deduction withdrawn -- Purchase for office or residence, Office appliances (other than computer), Deduction allowed in one year, XIth Schedule, sale before 8 years from end of P/Y.

Expenditure of Scientific Research [Section 35]

(1) Expenditure incurred by the assessee for his business

(A) In all cases of in house research -- 100% (other than cost of any land)

Any expenditure incurred during the 3 years immediately preceeding the year of commencement of business -- 100% (other than cost of any land)

(B) In case of companies in specified business -- 150% (except land or building)

Specified business = Bio-technology or companies engaged in the business of manufacture or production of an article or thing except those speicifed in the Eleventh Schedule of the Income-tax Act.

(2) In case of Contribution to outsiders -- 125% (whether or not research related to assessee business)

Any national laboratory, university, IIT, Approved bodies

<u>Unabsorbed expenditure</u> -- Same Treatment of unabsorbed Depreciation.

Expenditure on acquisition of Patent Rights or Copy Rights [Section 35A]

Before 1.4.1998 -- Allowed in 14 equal annual instalments
On or after 1.4.1998 -- Depreciation @ 25% (WDV)

Expenditure for obtaining Telecommunication Licence [Section 35ABB]

Amount of Deduction = Amount Paid / Remaining period of Licence

Donation for Eligible Project [Section 35AC]

(1) Eligible Expenditure -- Payment to public sector company, Local Authority, Approved association, Direct Expenditure incurred on eligible project (For company only)
(2) Amount of Deduction -- Actual payment or actual expenditure
(3) Withdrawal of Exemption -- Project is not being carried on accordance with conditions of national committee, Report not furnished to the national committee.

Investment-linked tax incentive for specified business - cold chain facilities, warehousing facilities for storage of agricultural produce, and cross-country natural gas or crude or petroleum oil pipeline network for distribution, including storage facilities [Section 35AD].

Donation for Rural Development [Section 35CCA]

National fund for Rural Development, National Urban poverty Eradication Fund

Preliminary Expenses [Section 35 D]

(1) Applicability -- Indian company or Non corporate resident assessee.
(2) Before commencement of business -- For setting up of any business
After commencement of business -- Extension or setting up new undertaking
(3) List of specified expenditure -- Feasibility report, Project report, Market Survey, Engineering services, Legal charges, Drafting and printing of MoA & AoA, Registering Fee, Issue of Share or Debenture, Underwriting Commission, Expenditure of Prospectus.
(4) Company -- 5% of Cost of project or 5% of capital employed (maximum limit)
Other assessee -- 5% of the Cost of Project (maximum limit)
(5) Amount of Deduction -- 5 equal instalments

Expenditure incase of amalgamation or Demerger [Section 35DD]

Indian company -- 5 instalments

Expenditure incurred under voluntary retirement scheme [Section 35DDA]

Any assessee -- 5 equal annual instalments

Expenditure on prospecting for certain minerals [Section 35E]

Amount of Deduction -- One-tenth of expenditure or Income from such prospecting (lower)

Other Deduction [Section 36(1)]

(1) Insurance premium on stocks -- allowable only in year of payment.
(2) Insurance premium on life of cattle -- allowable only in year of payment.
(3) Insurance premium paid on health of employees -- payment made by any mode other than cash.
(4) Bonus or commission paid to employees -- on or before due date of filing return [Section 43B]
(5) Interest paid on borrowed capital -- Actual interest
(6) Employers contribution to RPF -- On or before the due date of ROI.
(7) Contribution to approved gratuity fund -- On or before the due date of ROI.
(8) Contribution from employees -- On or before the due date under the relevant act.
(9) Amount of Deduction = Actual cost of animals *less* Amount realised on sale of animals.
(10) Bad Debts -- Only actual bad debts allowed (provision for bad debts disallowed)
(11) Provision for bad and doubtful debts for rural branches of Banks and Co-operative bank.
(12) Spcial reserve creaed by Financial Corporations.
(13) Family planning expenditure -- Only for company assessee
- Revenue expenditure -- Fully allowed
- Capital expenditure -- Allowed in 5 years in equal instalments
- Unabsorbed family planning expenditure -- Same manner as unabsorbed depreciation.

(14) Treatment of discount on zero coupon bonds -- Allowed proportionately.
(15) Securities Transaction Tax (STT) to be allowed as a deduction.
(16) Special deduction for reserve (maximum 20%) allow to National Housing Bank.

General Deduction [Section 37]

Expenditure only for business or profession -- Revenue nature -- During the P/Y -- Not covered by Section 30 to 36 -- No personal expenditure.

Disallowed Expenditure [Section 40(a) - 43B]

Expenses not Deductable [Section 40(a)]

(1) Salary, Interest, Royalty etc. for non-resident (without TDS) (2) Interest Commission , Royalty etc. for resident (without TDS) (3) Fringe benefit tax (4) Income tax / Dividend tax (5) Wealth tax.

Disallowance for Partnership firm [Section 40(b)]

- Payment of Interest to any partner :- As per deed or 12% p.a. (whichever is lower)
- For payment of salary, bonus to working partner :-

Specified Profession Firm & Other Firm	
On the first Rs. *3,00,000* of the book profit or in case of a loss	Rs. *1,50,000* or at the rate of 90% of the book profit, whichever is more
On the balance of the book profit	60% of Book Profit

Payment to specified persons [Section 40A(2)]

AO may disallowed -- excessive or unreasonable (fair market value)

Cash Payment in respect of expenditure exceeding Rs. 20,000 [Section 40A(3)]

Payment in excess of Rs. 20,000 (for transporters Rs. 35,000) otherwise **Account Payee** cheque or demand draft -- 100% disallowed.

Exceptions payment made to bank and financial institution, Govt., Banking holiday, Employees (not exceed Rs.50,000), village not served by any bank, book adjustment, producer of agricutural, Poultry farm, Dairy, Cottage Industry (without aid of power).

Disallowance or provision for gratuity [Section 40A(7)]

- Provision for Gratuity disallowed
- Approved gratuity fund (allowed), actually payment of gratuity (allowed)

Deduction based on actual payment [Section 43B]

Certain deduction are made only on actual payment on or before the due date of ROI -- Any tax, duty, cess, Interest on loans from scheduled bank or any public financial institution, any bonus or commission or leave encashment to employees, contribution to PF.

Maintenance of accounts by persons carrying on profession or business [Section 44AA & Rule 6F]

(i) Business Assessee **Other than notified profession)** :- Income from business or profession exceeds Rs. 1,20,000 or
Total sales/gross receipts exceeds Rs. 10,00,000
In any of the 3 preceeding P/Y or likely to exceeds incase of newly setup business or profession.
Assessee is required to maintain -- Books of account and other documents (for computation of income)

(ii) Not required to maintain any books if specified the amounts are not exceeded.

Notified Professions :- Profession of Law, Medicine, Engineering, Accountancy, CA, CS etc.

(i) Gross Receipts exceeding Rs. 1,50,000 (in all the three years immediately preceeding the P/Y or likely to exceed if the profession is newly setup)
Assessee is required to maintain :- **Specified books --** Cash book, Journal, Ledger, Carbon Copies of bills exceeding of Rs. 25, Original bill for expenditure exceeding Rs. 50.
In case of Medical Profession - Daily cash register, Medicine inventory register.

(ii) In other cases -- Assessee is required to maintain such books of account and other documents as may enable the Assessing Officer to compute income.

Compulsory Audit of Accounts [Section 44AB]

(1) Applicability -- (a) For business total sales or gross receipts exceeds Rs. 40,00,000,
(b) For profession gross receipts exceeds Rs. 10,00,000,
(c) Business referred to u/s 44AD/AE/AF and declaring lower income.

(2) Filing of Report -- Audit report of CA on or before 30th September of the relevant A/Y

(3) If accounts audited under any other law -- Report with audit report under any law

(4) Consequence of non-compliance -- Defective return [Section 139(9)]

Presumptive income in case of Specific Business or Profession [Section 44AD/AE/AF]

Civil Construction (Sec. 44AD) :- 8% or more of gross turnover

Business of plying and leasing goods carriages (Sec. 44AE) :- Heavy goods vehicle Rs. 3,500 p.m. and others Rs. 3,150 p.m. or part of a month (Maximum 10 goods carriage).

Retail Traders whose turnover not excceds Rs. 40,00,000 (Sec. 44AF) :- 5% or more of gross turnover

Common Provision in case of Section 44AD/AE/AF

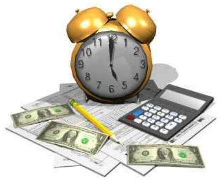
(1) Deduction u/s 30to 38 - (deemed to be allowed)

(2) Depreciation (deemed to be allowed)

(3) Turnover for u/s 44AB (not to be considered)

(4) Option for lesser amount (Sec. 44AA & 44AB applicable)

(5) Partner's - interest, salary (allowed) (6) Deduction u/s 80C to 80U (allowed)



REVISION SUMMARY OF TAX

(Assessment Year 2010 - 2011)

Revision Summary of 'Income from Capital Gains'

(Estimated Time Allocated – 20 Minutes)

Basis of Charge [Section 45(1)]

Capital assets -- Transfer -- P/Y -- Capital Gain -- Exemption u/s 54 to 54H(applicable)

Capital Assets [Section 2(14)]

Includes -- Property of any kinds whether or not connected with business or profession.

Excludes – Stock in trade, Personal effects **(except jewellery, archeological collections etc.)**, Rural agricultural land in India

Types of Capital Assets

(i) **Short term capital assets** -- Holding period not more than **36 months.**
Exceptions -- Holding period not more than **12 months**
Equity or preference shares, listed securities, units of mutual fund, Zero Coupon Bonds.

(ii) **Long term capital assets** -- A Capital assets which is not a short term capital asset.

Transfer [Section 2(47)]

Sale, Exchange, Relinquishment, Extinguishment, Compulsory acquisition, Conversion of capital assets, ***Redemption of Zero Coupon Bonds***, Part performance of contract (transfer of property act), Enjoyment of immovable property.

Meaning of Zero Coupon Bonds [Section 2(48)]

(a) Issued (on or after 1-6-2005) -- Infrastructure capital company or infrastructre capital fund or public sector company or Scheduled Bank.

(b) No payment and benefit -- before maturity or redemption

(c) Central Government -- Notification in the Official Gazettee

Transactions which are not considered as transfer [Section 47]

(1) Partition of HUF
(2) Gift or will or irrevocable trust (except - ESOP)
(3) Holding Company to its Indian subsidiary company (Condition -- 100% share holding)
(4) Subsidiary Company to its Indian Holding Company (Condition -- 100% share holding)
(5) Amalgamating company to its Indian amalgamated company
(6) Amalgamation of a company with a Banking Institution
(7) Demerged company to its Indian resulting company.
(8) Transfer of shares by a resulting company to the shareholders of demerged company
(9) Shares of amalgamated company to the shareholders of amalgamating company.
(10) Transfer made by one non resident to another non resident (outside India)
(11) Transfer (Government, University, National Museium, National Art Gallery, Notified by CG.)

(12)Conversion of Bonds, Debenture, Deposit certificate into shares or debentures of that company.
(13)Transfer of land by Sick Industrial company (managed by its worker co-operative)
(14) Transfer of capital assets of a firm into company.
Condition : All assets / liabilities, capital ratio, partners received only shares, 50% voting power 5 years.

Computation of Capital Gains [Section 48]

(i) Computation of Short Term Capital Gains :-
Full value of consideration ***Less*** Transfer expenses, COA, COI, Exemption u/s 54B, 54D & 54G

(ii) Computation of Long Term Capital Gains :-
Full value of consideration ***Less*** Transfer expenses, ICOA, ICOI, Exemption u/s 54 to 54H.

Cost of acquisition and Improvement [Section 55]

- **In case of right to manufacture, produce any article or goodwill of a business.**
  COA -- Nil (if self generated by assessee or previous owner),
  Cost to assessee / previous owner (if acquired / purchase)
  COI -- Nil
- **In case of Tenancy rights, Route permits and loom hours, trademark or brand name**
  COA -- Nil (If self generated by assessee or previous owner)
  Cost to assessee / previous owner (if acquired / purchase)
  COI -- Expenses incurred by assessee or previous owner
- **Goodwill of profession is not taxable -- B. Srinivas Setty (SC)**

Cost of acquisition of different types of shares [Section 55]

	Particulars of asset	Date of acquisition / Holding Period	Cost of Acquisition
(1)	Shares originally purchased :		
	(a) Primary market	Date of Allotment	Allotment price
	(b) Secondary market		
	(i) Transaction through share brokers	Date of broker's note	Amount paid + Brokerage Charges + Adjustment for ex. & cum. dividend / interest
	(ii) Transactions between parties directly	Date of contract of sale	As above (excluding Brokerage)
(2)	Bonus Share	Date of allotment	NIL
(3)	Shares acquired in different lots at different points of time	FIFO method	FIFO method
(4)	Shares held in depository system (taxable in hands of beneficial owner)	FIFO method	FIFO method
(5)	Right shares offered to existing sharholders and subscribed by him	Date of allotment	Offer Price
(6)	Right shares acquired by a person by way of renouncement	Date of allotment	Offer Price + Amount paid for renouncement
(7)	Renouncement of right shares in favour of another person	Holding period is date of offer of such right to the date of renouncement (always STCG)	NIL
(8)	Financial asset acquired without any payment	Date of allotment of such financial assets	NIL

Computation of Capital Gains in Special Cases

Section	Nature of Transaction	Year of Taxability	Computation of Capital Gains
45(1A)	Insurance claim on loss of assets	Year of receipt of claim	Insurance Claim received *Less* COA or ICOA
45(2)	Conversion of Capital Asset into Stock-in-Trade (Key Note :- Indexation based on year of conversion, not on year of sale)	Year of transfer of converted stock	FMV of the capital asset on conversion *Less* COA or ICOA Business Income = Sale Consideration *Less* FMV considered as above.
45(2A)	Sale of shares held as depository (FIFO method)	Year of transfer	Consideration for transfer *Less* COA or ICOA
45(3)	Introduction of Capital Asset by a Partner into the Firm	Year of Introduction	Amount credited in Partner's Capital Account in the books of the firm *Less* COA or ICOA
45(4)	Distribution of Capital Asset to Partners/Members on dissolution of Firm / AOP / BOI	Year of Distribution	FMV on date of transfer *Less* COA or ICOA
45(5)	Compulsory acquisition of capital asset by Government . (a) Normal Compensation	Year of first receipt	Whole of Normal Compensation received or receivable *Less* COA or ICOA
	(b) Enhanced Compensation	Year of receipt of claim	Enhanced Compensation *Less* Expenses incurred
45(6)	Redemption of 80CCB Units	Year of repurchase	Repurchase Price *Less* Amount invested (No Indexation)
46	Receipt of Assets / Cash from company on liquidation	Year of receipt	FMV of assets received *Add* Amount received in Cash *Less* Deemed dividend u/s 2(22)(e) *Less* COA or ICOA of shares
46A	Repurchase / Buy back of Shares / Specified Securities	Year of repurchase	Consideration for transfer *Less* COA or ICOA
50B	Sale or undertakings as a going concern or Slump Sale	Year of transfer	Lump sum Consideration *Less* Net worth
50C	Transfer of Land or Building or both at less than Stamp duty authority value.	Year of transfer	Value determined by Stamp Duty Authority *Less* COA or ICOA

Advance Money Forfeited [Section 51]

Cost of assessee Less forfeited by the assessee.

Reference of Valuation Officer [Section 55A]

(i) Sale consideration < FMV (ii) Difference between FMV and sale consideration (More than 25,000 or 15%)

Exemption on compulsory acquisition of agricultural land [Section 10(37)]

Individual or HUF -- Holding Period 2 years or more -- Consideration determined by CG or RBI -- On or after 1.4.2004.

Exemption on LTCG from Shares [Section 10(38)]

Transfer or or after 1.10.2004 -- Through recognised stock exchange -- Security transaction tax applicable.

Tax on STCG from Shares @ 15% [Section 111A]

Transfer on or after 1.10.2004 -- Through recognised stock exchange -- Security transaction tax applicable.

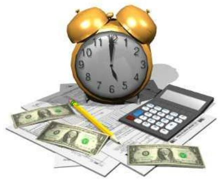
Tax on LTCG from listed securities [Section 112]

Tax @ 20% on LTCG after Indexation or Tax @ 10% on LTCG without indexation (whichever is lower)

Exemption from Capital Gains under Section 54/54B/54D/54EC/54F/54G/54GA

Sec.	Asset Trans-ferred	Who is entitled	Use or Holding period	Amount to be Invested	New Asset	Exemp-tion	Prescribed period for investment	Treatment of unutilised amount	Sale of new asset
54	Residential house	Individual or HUF	Exceeding 36 months	Capital Gains	Residential house	Capital gains or amount invested whichever is less	Within 1 year before or 2 years after the date of transfer in case of purchase, or within 3 years after the date of tranfer, in case of new construction.	Deposit in Capital Gains Account scheme before due date of furnishing the return of Income.	If sold within 3 years from the date of purchase/ construction, for the purpose of computation of STCA on the new asset, the cost of new asset shall be reduced by the amount of CG claimed as exempted.
54B	Agricultural land	Individual	Used for 2 yrs. for agriculture.	Capital Gains	Agricultural land	As above	Within two years after transfer	As above	As above
54D	L & B for Industrial undertaking	Any assessee	Used for 2 years	Capital Gains	L & B for industrial undertaking	As above	With 3 years after transfer	As above	As above
54EC	Long Term Capital Assets	Any assessee	LTCA	Capital Gains	Bonds issued on or After 1.4.2007 by NHAI or RECL	Capital gains or amount invested (whichever is less) (Maximum Rs. 50 lakh during any financial year	Within 6 months of transfer of original asset	Not Applicable	If sold within 3 years, exempted Capital Gain will be deemed to be the income from LTCG of the assessee in the year of sale of new asset.
54F	Any asset other than Residential House	Individual or HUf	Should be LTCA. Should not own more than one house on date of transfer	Net consider-ation	Residential House	Capital Gains x (Amount Inv ested / Net Consider-ation)	Within one year before or two years after transfer in case of purchase or 3 years after transfer in case of construc-tion.	Deposit in Capital Gains Account Scheme before due date of furnishing return of income	Sale as for Section 54, 54B, 54D except that under section 54F it will be taxed as LTCA.
54G	P&M or L & B for industrial undertaking in urban area.	Any assessee	May be LTCA or STCA	Capital Gains	P &M or L&B used for industrial Undertaking in non-urban area or meeting expenses of shifting.	Capital Gains or amount invested whichever is less	Within one year before or within 3 years after the date of transfer.	As above	Same as for Section 54,54B and 54D.
54GA	P & M or L& B for industrial in urban area.	Any Assessee	May be LTCA or STCA	Capital Gains	P &M or L&B used for industrial Undertaking in SEZ or meeting expenses of shifting.	Capital Gains or amount invested whichever is less	Within one year before or within 3 years after the date of transfer.	As above	Same as per Section 54

Key Note :- Under all the above section, amount deposited in Capital Gains Account Scheme, if not utilised with the prescribed time, it will be taxed in the previous year in which the prescribed period expires.



REVISION SUMMARY OF TAX

(Assessment Year 2010 - 2011)

Revision Summary of 'Income from Other Sources'

(Estimated Time Allocated – 08 Minutes)

Basis of Charge [Section 56(1)]

Income not related to any other head

Specific Income [Section 56(2)]

(i) Dividend, winning from lotteries, races, card games, income from letting machinery or furniture alongwith building and only machinery or furniture, interest on securities,

(ii) **where any some of money/any property / movable property exceeding Rs. 50,000 the whole of such some (except - relative, occasion of marrage, under a will, in contemplation of death of the payer).**

Deemed Dividend [Section 2(22)]

(a) Any distribution by a company, (b) Distribution of debenture, (c) Distribution of accumulated profit to shareholders on liquidation, (d) Distribution on reduction of share capital,
(e) any advance / loan by a private company to equity shareholder (10% voting power) or any concern (in which such member is have been not less than 20% voting power).

Rate of tax in case of winning from Lottery etc. [Section 155BB]

30% of such income + 2% education cess + 1% SHEC.

Interest on Securities (Rate of TDS)

Types of Security	Rate of TDS
(i) CG/SG Securities	No TDS
(ii) Listed Securities	10%
(iii) Unlisted Securities	20%

Note :- In case of Tax free non government securities - grossing up of interest

Bond Washing Transaction

If owner of any security sells it just before due date and again acquires them after due date, he will be able to avoid payment of tax on interest.

In such case as per section 94 interest would be deemed to be the income of transferor and not transferee.

Exceptions :-

(a) If there is no avoidance of Income Tax or

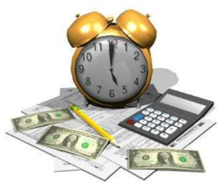
(b) The avoidance of Income Tax was exceptional and not systematic and that there was no avoidance of income tax by such a transaction in any of the three preceeding years.

Family Pension [Section 57(iia)]

Family Pension received by legal heir of Deceased employee, taxable under the head "other sources". Standard Deduction to legal heirs is allowed

(i) 33.33% of Pension or
(ii) Rs. 15,000

} whichever is less



REVISION SUMMARY OF TAX

(Assessment Year 2010 - 2011)

Revision Summary of 'Clubbing of Income'

(Estimated Time Allocated – 06 Minutes)

Transfer of income without transfer of assets [Section 60]

Taxable in the hands of transferor

Revocable transfer of assets [Section 61]

Taxable in the hands of transferor

Remuneration of a spouse from a concern in which the other spouse has substantial interest other than for excising professional knowledge [Section 64(1)(ii)]

Clubbed in the hands of individual

Income from assets transferred to the spouse for inadequate consideration [Section 64(1)(iv)]

Clubbed in the hands of individual

Income from assets transferred to son's wife for inadequate consideration [Section 64(1)(vi)]

Clubbed in the hands of individual

Income from assets transferred to any person for the benefit of the spouse of the transferor [Section 64(1)(vii)]

Clubbed in the hands of individual

Income from assets transferred to any person for the benefit of son's wife of the transferor [Section 64(1)(viii)]

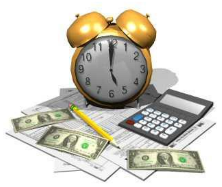
Clubbed in the hands of individual

Clubbing of income of a minor child [Section 64(1A)]

In the hands of parent whose total income is higher or the person the maintained minor.

Income from self acquired property converted to joint family property for inadequate consideration [Section 64(2)]

Clubbed in the hands of individual



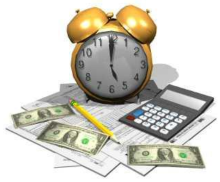
REVISION SUMMARY OF TAX

(Assessment Year 2010 - 2011)

Revision Summary of 'Set–Off & Carry Forward'

(Estimated Time Allocated – 06 Minutes)

Nature of Income		Set - Off: Same Source under same head	Set - Off: Inter-source under same head	Set - Off: Inter- Head	Carry Forward: For Assessment Year	Set - Off: From
Salary		N.A.	N.A.	N.A.	N.A.	N.A.
House Property		✓	✓	✓	8 years	Same Head
PGBP	Non-Speculation	✓	✓	✓ Except from Salary	8 years	Same Head
	Speculation	✓	✗	✗	*4 years*	**Same Source**
	Owning & Maintenance race horses	✓	✗	✗	4 years	**Same Source**
Capital Gains	Short Term	✓	✓	✗	8 years	Same Head
	Long Term	✓	✗	✗	8 years	**Same Source**
Other Sources	Winning from Lottery etc.	✗	✗	✗		
	Interest etc.	✓	✓	✓		



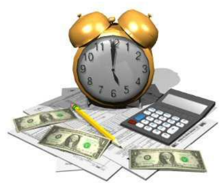
REVISION SUMMARY OF TAX

(Assessment Year 2010 - 2011)

Revision Summary of 'Deductions Under Chapter VIA'

(Estimated Time Allocated – 14 Minutes)

Section	Applicability	Nature of Payment/Receipt	Amount of Deduction
80C	Individuals/HUF	Refer Exe. No. 1, 2	Max. Rs. 1,00,000
80CCC	Individuals	Contribution to certain pension funds	Amount paid or Rs. 1,00,000 (lower)
80CCD	CG or other or Self Employees	Contribution to Central Govt. Pension Scheme	Amount paid or 10% of salary (lower) [for self employee - Max. 10% of GTI]
80CCE	80C + 80CCC + 80CCD		Maximum of Rs. 1,00,000
80D	Individuals/HUF		General : Premium paid or Rs. 15,000 (lower) and for parents Rs. 15,000 Senior Citizen -Premium paid or Rs. 20,000(lower)
80DD	Resident Individual/HUF	Expenditure on Handicapped Dependants relative	Disability : Rs. 50,000 (fixed) Severe Disability : Rs. 1,00,000 (fixed)
80DDB	Resident Individual/HUF	Expenditure on Specified Diseases	General : Actual or Rs. 40,000 (whichever is less) Senior Citizen : Actual or Rs. 60,000 (whichever is less)
80E	Individuals	Interest on Repayment of loan taken for Higher Education.	Actual Interest (Maximum 8 assessment year)
80G	All Assessees	Deduction in respect of Donation	❖ 100% deduction without Qualifying limit ❖ 50% deduction without Qualifying limit ❖ 100% deduction with Qualifying limit (10% of Adj. total Income) ❖ 50% deduction with Qualifying limit
80GG	Individuals	Assessee should not be entitled to HRA, not own any residential house at work place	(i) Rent paid *less* 10% of Adj. Total Income (ii) 25% of Adj. Total Income, (iii) Rs. 2000 p.m.
80GGA	All Assessees (no PGBP income)	Donations	Just like to Section 35/35CCA/35AC
80GGB	Indian Company	Donation to Political Party or Electoral Trust	Actual Amount Donated
80GGC	Other than Indian Company (except local authority, A.J.P.)	Donation to Political Party or Electoral Trust	Actual Amount Donated
80IA	Industrial undertaking	Infrastructure facility, Telecommunication Industrial park, distribution of Power	100% of Profit for 10 years
80JJA	All Assessees	Business of processing of Bio-degradable waste	100% of Profit for first 5 Assessment years
80JJAA	Indian Companies	Deductions for Additional Employment	30% of Additional Wages for 3 years
80LA	Off Shore Banking Units of Banks	Income from Off-shore banking unit	First 5 years : 100% Next 5 Years : 50% of such income
80P	Co-operative Society	Cottage industries, marketing of the agricultural produce, fishing	❖ Co-operative society engaged in other activities Rs. 50,000 ❖ Consumer's Co-operative Society Rs. 1,00,000
80QQB	Resident Individual	Royalty income from books	Least of Whole of such income or Rs. 3,00,000
80RRB	Resident Individual	Income from Patent registered after 1.4.03	Least of Whole of such income or Rs. 3,00,000
80U	Handicapped Resident Individuals		General : Rs. 50,000 (fixed) Severe Disability : Rs. 75,000(fixed)



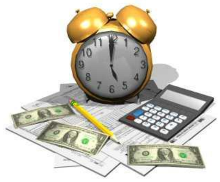
REVISION SUMMARY OF TAX

(Assessment Year 2010 - 2011)

Revision Summary of 'Return of Income'

(Estimated Time Allocated – 12 Minutes)

Section	Particulars	
139(1)	Return of Income	Company, firm, a person other than company or firm if it is total income exceeds the maximum amount which is not chargeable to income tax
	Due Date :- (a) where the assessee is company	30th September of A.Y.
	(i) other than co. where A/c's are audited	30th September of A.Y.
	(ii) Working partner of a firm (A/c's are audited)	30th September of A.Y.
	(b) In any other case	31st July of A.Y.
139(1A)	Bulk Return	Filing of Return through employer (Floppy, Diskette, Magnetic cartrage Tape, CD ROM etc.)
139(1B)	Filing of Return on computer readeable media	Floppy, Diskette, Magnetic cartrage Tape, CD ROM or any other computer readable media
139(3)	Return of Loss	File within the time specified in section 139(1) If return of loss is not filed then following loss cannot be carried forward (i) Business Loss (ii) Capital Loss (iii) Owing and maintenance race horses loss
139(4)	Belated Return	Within 1 year from the end of relevant A.Y. or before completion of assessment (earlier)
139(4A)	Return of Charitable Trust	Before allowing exemption u/s 11 & 12 exceeds the basic exemption limit
139(4B)	Return on behalf of Political Party	Before allowing exemption u/s 13A exceeds the basic exemption limit
139(4C)	Return of Income of certain associations	Scientific Research, News agency, Professional institution, University hospital, Institution for the development of Khadi, Trade Union
139(5)	Revised Return of income	Within 1 year from the end of the relevant A.Y. or before completion of assessment (earlier) **Belated return cannot be revised [Kumar Jagdish Chandra Sinha(SC)]**
139(6A)	Particulars to be furnished by business assessee	Name and Address of Principal Place and Branches, Partners or Members Profit share of Partners or Members, Audit report u/s 44AB
139(6)	Other Assessee	Income exempt from tax, assets, Bank Account & Credit Card, Expenditure excess the limits
139(9)	Defective return	Annexure, computation of the tax, audit report u/s 44AB, Proof of TDS and Advance Tax, Books of Account, Statement, Audit u/s. 233AB of Company Act.
139A	Permanent Account Number	(i) Total Income greater than Basic Exemption limit (ii) Gross Turnover / Receipts greater than Rs. 5,00,000 (iii) Charitable Trust u/s 139(4A) (iv) Return of fringe benefits
140	Signing of Return	Individual - himself, HUF - Karta, Company - MD, Firm - Managing Partner, LLP - Designated Partner Local Authority - Principal Officer, Political Party - CEO, AOP - Principal Officer.



REVISION SUMMARY OF TAX

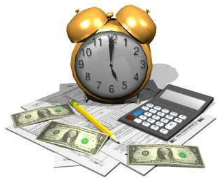
(Assessment Year 2010 - 2011)

Revision Summary of 'Tax Deducted at Source'

(Estimated Time Allocated – 14 Minutes)

Sec.	Nature of Payment	Who is liable to deduct tax	Type of Recipient	Rate of TDS	Exemption Limit
192	Salary	Employers	Employee	Rates of tax as applicable to the individual	Basic exemption applicable to Individuals (Rs. 1,60,000 / Rs. 1,90,000 / Rs. 2,40,000)
193	Interest on securities	Payer of interest of securities	A Resident person	Domestic Co. - 10% Others - Listed debentures 10% Non-listed debentures - 10%	Exempted for certain listed securites u/s 193. Listed Debentures - Rs. 2,500 Demat Security
194	Dividend u/s 2(22)(e)	Domestic company	Resident	20%	Upto Rs. 2,500 during a financial year in case of an individual.
194A	Interest other than interest on securities	All assessees except individuals and HUF who are not subject to audit u/s 44AB during prior previous year.	A resident person	Domestic Companies - 10% Others - 10%	Rs. 10,000 if payment made by Banking Co., Co-operative society, Post Office Rs. 5,000 payment made by any other person.
194B	Winning from lottery / cross-word puzzle	Any person	Any person	30%	Rs. 5,000
194BB	Winning from horse race	Any person	Any person	30%	Rs. 2,500
194C	Payment to conractor or sub contractor	All assessees except individuals and HUF who are not subject to audit u/s 44AB during prior previous year.	Any person resident in India	Individual HUF - 1% Other - 2%	Rs. 20,000/- per contract value or Credit less than Rs. 50,000/- p.a. in aggreate.

194D	Insurance Commission	Any Person	Resident Assessee	Domestic Company - 20% Others - 10%	Rs. 5,000 p.a.
194E	Payment to non-resident sports-men or sports association of income referred to u/s 115BBA.	Any Person	Non-resident :- Sportsmen being foreign citizen; or Sports assocaition	10%	Nil
194EE	National Savings Scheme	Post Office	Any Person	20%	Rs. 2,500 or payment is made to heirs of the deceased assessee
194F	Repurchases of units	Mutual fnds or UTI	Unit holder u/s 80CCB	20%	Nil
194G	Commission on sale of lottery tickets	Any Person	Any person	10%	Rs. 1,000 p.a.
194H	Commission or Brokerage	All assessees except individuals and HUF who are not subject to audit u/s 44AB during prior previous year.	A resident person	10%	(i) Rs. 2,500 (ii) Commission payable by BSNL or MTNL
194I	Rent	All assessees except individual and HUF who are not subject to audit u/s 44AB during prior previous year.	A resident person	Rent of P & M - 2% Rent of Land, Building, Furniture - 10%	(i) Rs. 1,20,000 in a financial year. (ii) Payee is Govt. / Local Authority
194J	Professional or Technical Fees	All assessees except individual and HUF who are not subject to audit u/s 44AB during prior previous year.	A Resident Person	10%	Rs. 20,000 in a financial year.
194LA	Compensation / Enhanced Compensation on compulsory acquisition	Any Person	A Resident Person	10%	Aggregate of such payments during the F.Y. does not exceed Rs. 1,00,000.
195	Interest; or Any other sum (other than income taxable as 'salaries')	Any Person	Non-resident Foreign company	As Specified by the Finance Act.	Dividend in referred in section 115-O



REVISION SUMMARY OF TAX

(Assessment Year 2010 - 2011)

Revision Summary of 'Assumptions'

(Estimated Time Allocated – 05 Minutes)

If nothing mentioned clearly in question only then make following assumptions

Income from Salary

S.No.	Particulars	Assumption
1.	Govt/Non-Govt.	Assume non-govt. employee
2.	Gratuity	Employee is not covered under payment of gratuity act
3.	Pension	Uncommuted pension
4.	Employees PF contribution	Basic Salary is gross without deducting employees contribution
5.	Dearness Allowances	It is not under terms of Employment
6.	Dearness Pay	It is under terms of employment
7.	Specified allowances (Travelling Allowance, Daily Allowance)	If expenditure not given assume that fully expended for official purposes
8.	HRA, city in which house taken on rent	Assume 40% (For any other place)
9.	Rent Free Accommodation	If nothing mentioned or only Fair Rent Value given then assume that owned by employer and if actual rent or lease rent given then not owned by employer.
10.	Rent Free Accommodation	If owned by employer and population not given then assume that in city of more than 25,00,000.
11.	Interest free loan	If rate of interest of SBI not given assume to be 12% p.a.
12.	Education facility	Employer has no contract with the school and it is not maintained by employer
13.	Medical facilities	In any other hospital and exemption upto Rs. 15,000

Income from House Property

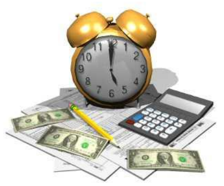
1.	Interest for self-occupied property	Loan was taken before 1.4.1999.
2.	Recovery of unrealized rent	Covered u/s 25A

Income from Other Sources

1.	Debentures	Not-Listed at any recognised stock exchange

Set-off or Carry Forward of Losses

1.	Business Losses	Non-Speculation Business Losses



REVISION SUMMARY OF TAX

(Assessment Year 2010 - 2011)

Revision Summary of 'Meaning of Relative'

(Estimated Time Allocated – 05 Minutes)

Income from Salary

S.No.	Particulars	Meaning of Relative
1.	Prescribed fringe benefits	Member of household (a) Spouses, (b) Children and their spouses (c) Parents (d) Servants and dependants
2.	Medical Facilities and Leave Travel Concession	(a) The spouse & children (b) Parents, Brothers and Sisters of the individual wholly or mainly dependent on the individual

Profits & Gains of Business or Profession

1.	Payment to specified persons [Section 40A(2)]	Specified persons means relative, partner, director or person having substantial interest or relative of any such person (Any relative i.e., Spouse, any brother, Sister lineal ascendant or descendant of such individual)

Income from Other Sources

1.	Gifts (in money) [Section 56(2)]	(a) Spouse of the individual; (b) Brother or sister of the individual; (c) Brother or sister of the spouse of the individual; (d) Brother or sister of either of the parents of the individual; (e) Any lineal ascendant or descendant of the individual; (f) Any lineal ascendant or descendant of the spouse of the individual; (g) Spouse of the person referred to in clauses (b) to (f)

Clubbing of Income

1.	Substantial Interest	Individual, Spouse, Brother, Sister or Lineal ascendant & descendant

Deductions

1.	Life Insurance Premium [Section 80C]	L.I.P. on life of himself, Spouse and Children In HUF, any member of family
2.	Medical Insurance Premium [Section 80D]	(1) Individual, Spouse, Parents (whether dependent or not), dependent children (2) In case of HUF, in the name of any member
3.	Section 80DD & Section 80DDB	(i) Individual, Spouse, Children, Parents, Brothers and Sisters (ii) In the case of HUF, any member of HUF
4.	Section 80E	Spouse, Children of Individual