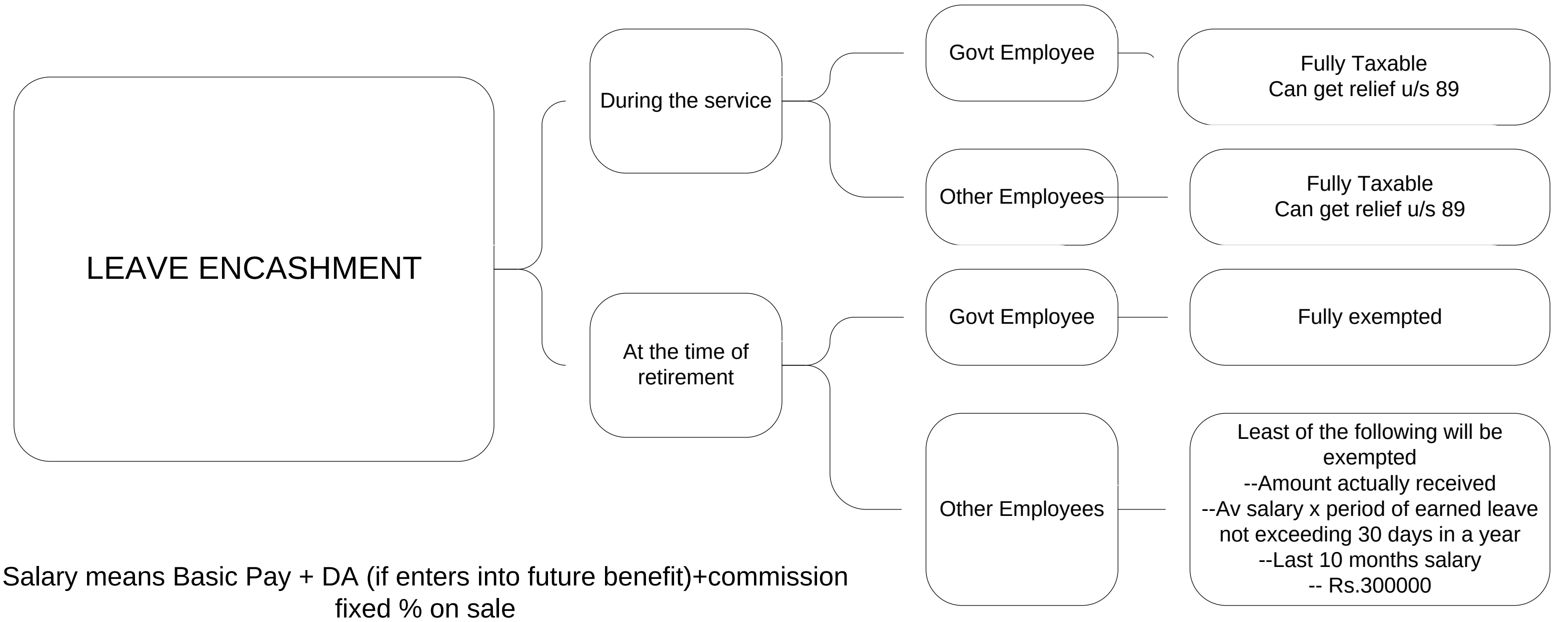

Salary means Basic Pay + DA (if enters into future benefit)+commission fixed % on sale

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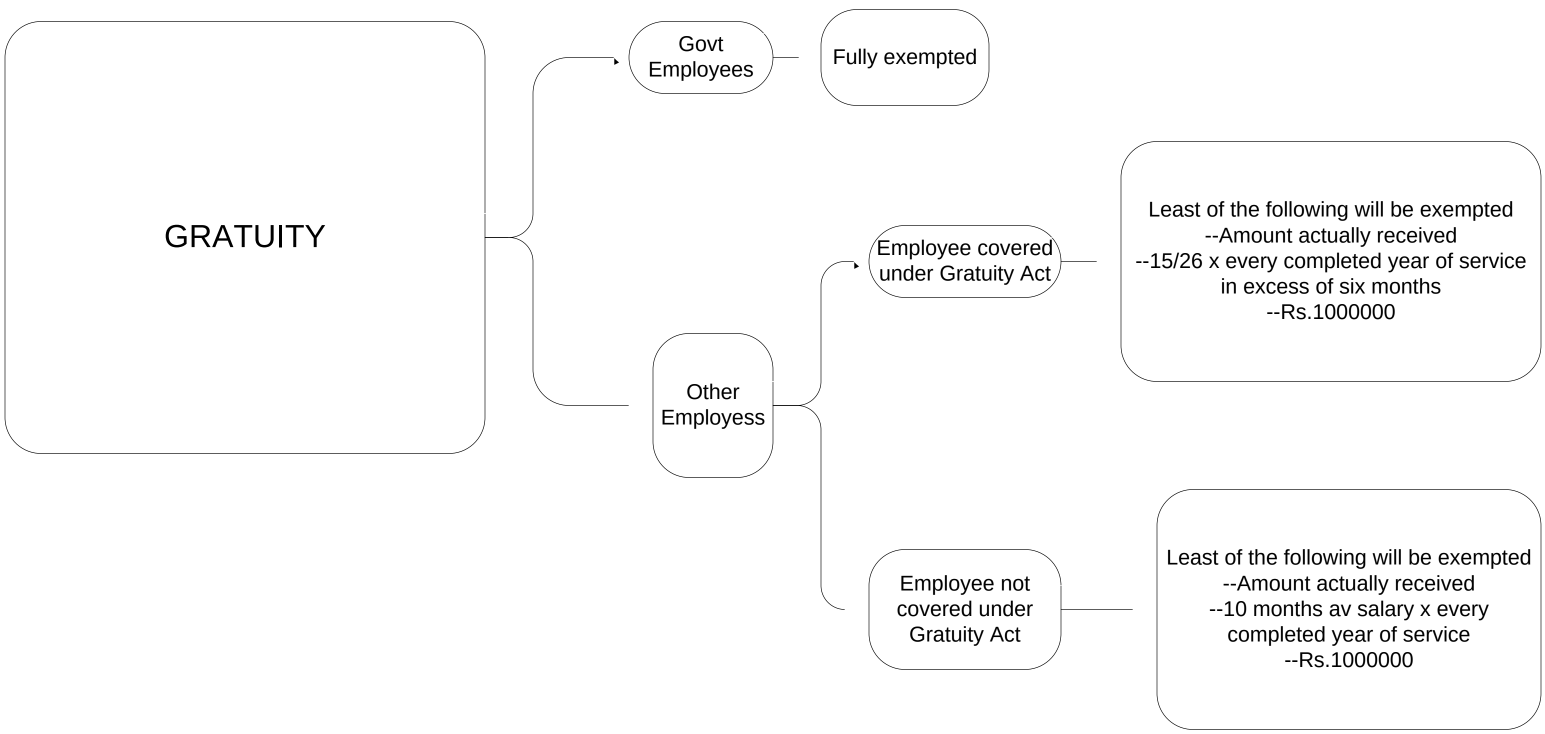
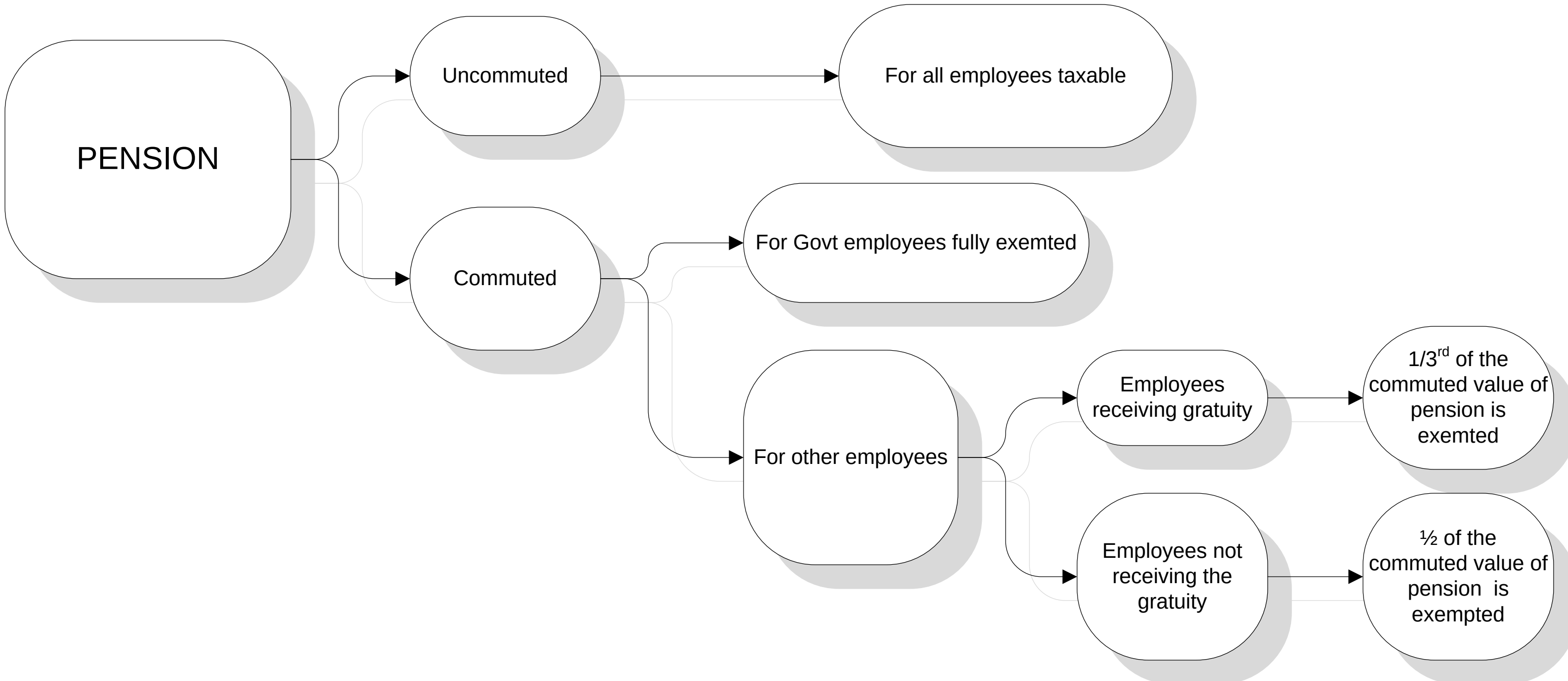


In case of Employees covered under Gratuity Act :Salary means Basic Pay + DA (if enters into future benefit)

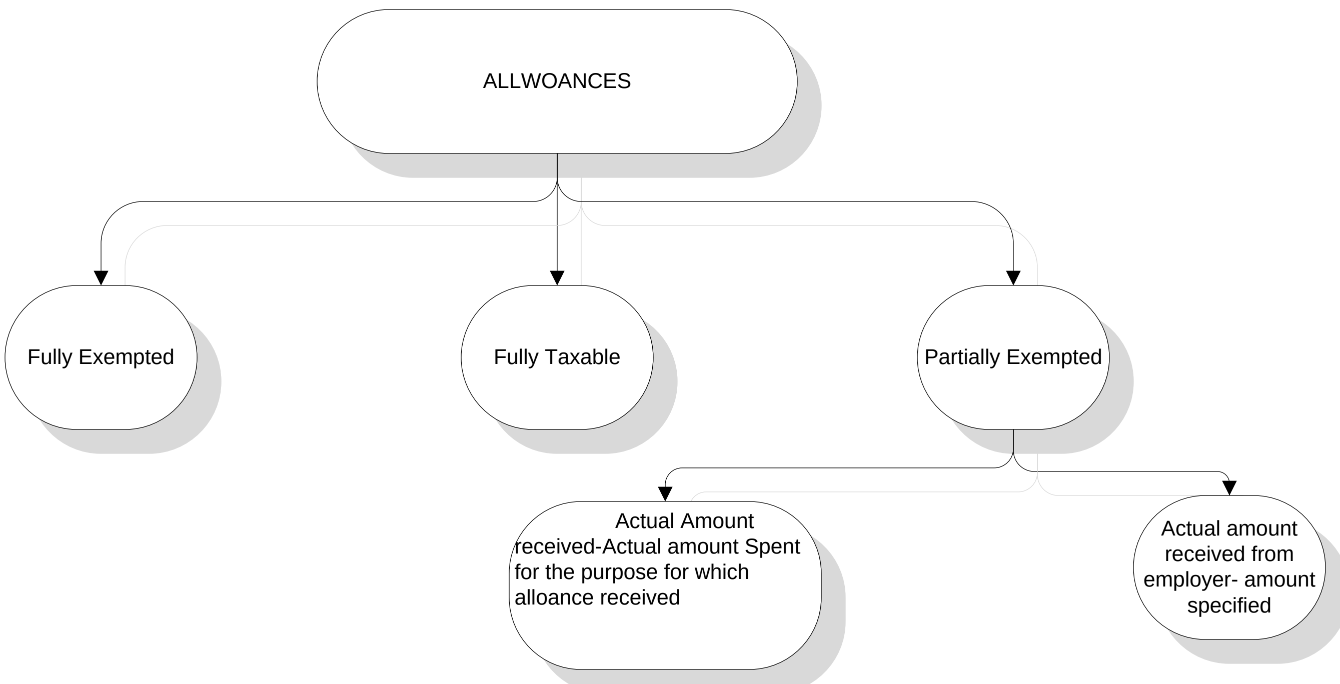
In case of Employees not covered under Gratuity Act :Salary means Basic Pay + DA+ commission fixed % on sale

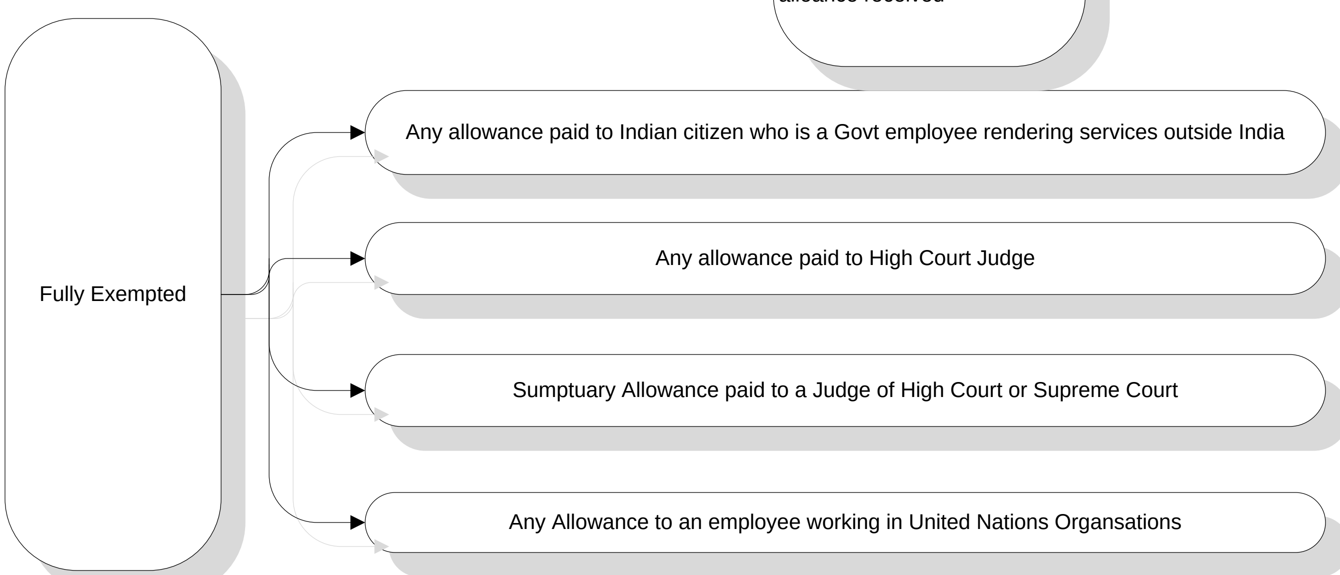
In case of Seasonal Employment 15 days converted into 7 days

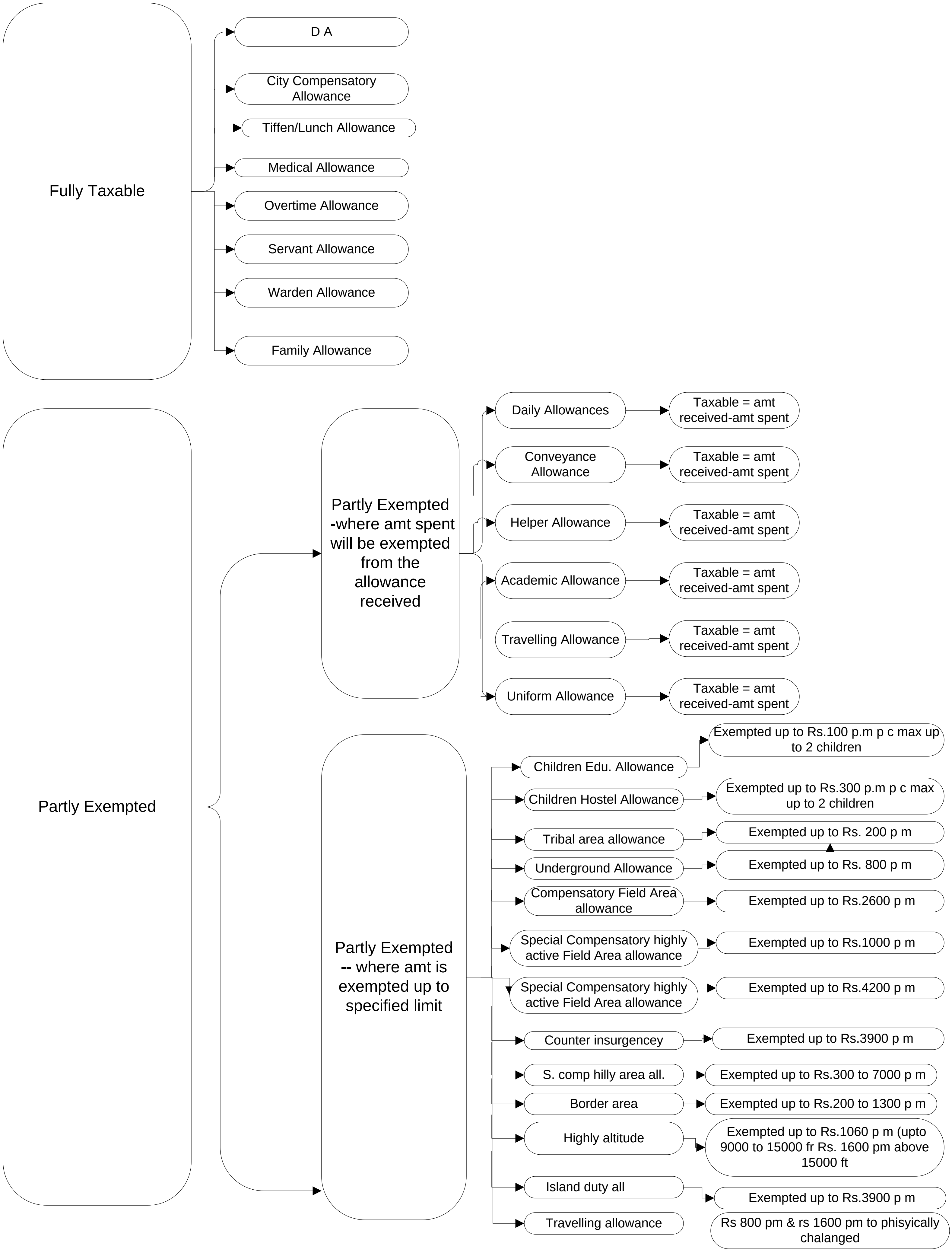
In case of Piece rate employees last three months salary to be considered



Note: In case of Central Govt Employee joined after Jan 2004, the employee & employer has made an equal contribution which does not exceed 10% of salary previous year under Pension Scheme, the contribution made by Employer added into the salary of employee. Employee can clam the deduction for the contribution made by his employer as well as contribution made by him u/s 80CCD from his total income. Salary for this purpose = Basic Salary+ DA (if enters into future terms)







Fully Taxable
D A
City Compensatory Allowance
Tiffen/Lunch Allowance
Medical Allowance
Overtime Allowance
Servant Allowance
Warden Allowance
Family Allowance
Partly Exempted
Partly Exempted -where amt spent will be exempted from the allowance received
Daily Allowances
Taxable = amt received-amt spent
Conveyance Allowance
Taxable = amt received-amt spent
Helper Allowance
Taxable = amt received-amt spent
Academic Allowance
Taxable = amt received-amt spent
Travelling Allowance
Taxable = amt received-amt spent
Uniform Allowance
Taxable = amt received-amt spent
Partly Exempted -- where amt is exempted up to specified limit
Children Edu. Allowance
Exempted up to Rs.100 p.m p c max up to 2 children
Children Hostel Allowance
Exempted up to Rs.300 p.m p c max up to 2 children
Tribal area allowance
Exempted up to Rs. 200 p m
Underground Allowance
Exempted up to Rs. 800 p m
Compensatory Field Area allowance
Exempted up to Rs.2600 p m
Special Compensatory highly active Field Area allowance
Exempted up to Rs.1000 p m
Special Compensatory highly active Field Area allowance
Exempted up to Rs.4200 p m
Counter insurgencey
Exempted up to Rs.3900 p m
S. comp hilly area all.
Exempted up to Rs.300 to 7000 p m
Border area
Exempted up to Rs.200 to 1300 p m
Highly altitude
Exempted up to Rs.1060 p m (upto 9000 to 15000 fr Rs. 1600 pm above 15000 ft
Island duty all
Exempted up to Rs.3900 p m
Travelling allowance
Rs 800 pm & rs 1600 pm to phisyically chalanged

HOUSE RENT ALLOWANCES

If employee residing in his own house

Fully Taxable

If employee residing in Ranted House

Least of the following will be exempted
-- Rent Actually received
-- Rent paid – 10% of salary
-- 50% of salary in case of metro cities
Or
--40% of salary in case of other cities

Salary means = Basic Pay + DA(retirement benefit) + Commission fixed % on sale

Travelling Allowance in case of employee working in a transport company

Rs.6000 p m or 70% of allowance which is least is exempted from tax

Entertainment allowance

For Govt employee

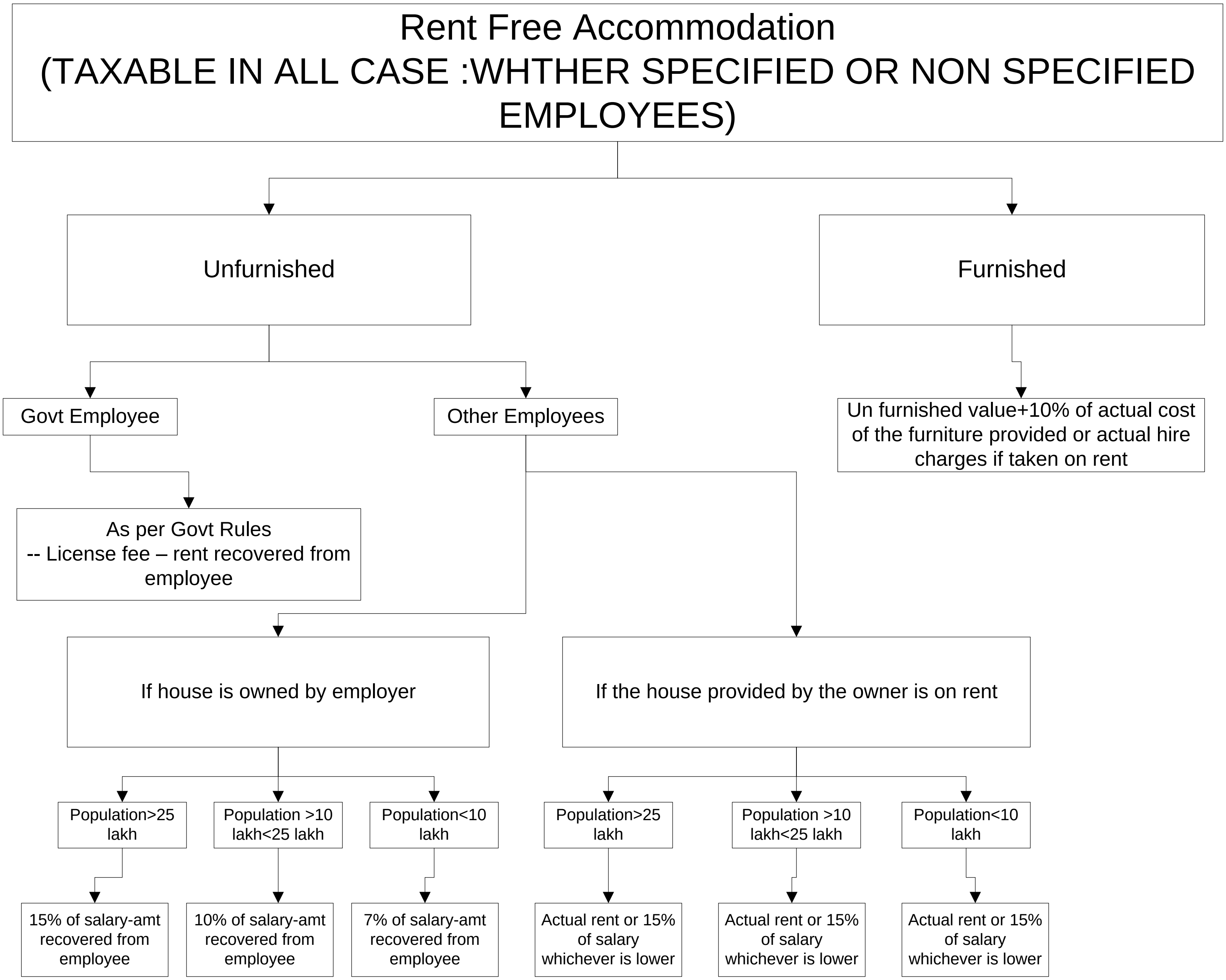
1st include the amount in total salary
Then give the deduction u/s16(ii) which is least of the following
--Amt actually received
--Rs. 5000
--20% of salary

For other Employees

Fully Taxable

Salary here means only basic salary

PERQUISITS



Note: In case of accommodation is provided in Hotel nothing is taxable if the accommodation is provided for 15 days & on transfer of employee from one place to another. But after 15 days, the least of the 24% of salary or actual amount paid on such accommodation will be taxable.

SALARY: BASIC PAY+DA+TAXABLE ALLOWANCES+LEAVE SALARY+COMMISSION+MONEATRY PAYMENT FROM EMPLOYER OTHER THAN CONTRIBUTION TO PF

Valuation of Domestic Servants (Gardener, Watchman, Servant)
(TAXABLE IN CASE OF SPECIFIED EMPLOYEES)

- Servants appointed by employee
  - Exp. Paid by Employee
    - Value of Perks=Nil
  - Exp. Paid or reimbursement by Employer
    - Value of Perks= Actual cost incurred or reimbursed by employer
- Servants appointed by Employer
  - Exp. Paid by Employee
    - Value of Perks=Nil
  - Exp. Paid or reimbursement by Employer
    - Value of Perks= Actual cost incurred

Note: If the rent free accommodation is provided to employee along with facility of Gardner for the maintaince of the garden or for the ground attached with house the expenses paid to gardener should be included I the value of rent free accommodation. No extra treatment for the salary paid to gardener

Valuation of supply of gas, electricity or water supplied by employer
(TAXABLE IN CASE OF SPECIFIED EMPLOYEES)

- Provided from own Source
  - Value of Perks= Manufactured cost to the employer- recovery from the employee
- Provided from outside agency
  - Value of Perks= Amt paid to suplier- recovery from the employee

Value of interest free loan:

1) calculate the outstanding balance for each month in the previous year

2) Interest rate for such type of loan of State Bank of India

3) Calculate the interest on the o/s balance with prevailing rate of interest

4) Value of perks = Interest calculated – interest recovered from employee

Note:Nothing is taxable if loans in aggregate do not exceed Rs 20000 and loan is provided for a treatment of specified disease likes neurological diseases, Cancer, AIDS, Chronic renal failure, Hemophilia are the specified diseases.

Use of movable assets

- Use of laptops and computers
  - Taxable = Nil
- Use of Movable asset other than laptops
  - Assets owned by employer
    - Taxable = 10% of actual cost – amt recovered from employee
  - Provided from outside agency
    - Taxable = Rent paid or payable by employer – amt recovered from employee

Sale of movable assets:

- Sale of Computers and electronic
  - Value of Perks= Actual cost of asset- 50% as wear & tear- recovery from the employee
- Motor cars
  - Value of Perks= Actual cost of asset- 20% as wear & tear- recovery from the employee
- Any other asset
  - Value of Perks= Actual cost of asset- 10% as wear & tear- recovery from the employee

Valuation of educational facilities

- Provided in the school owned by the employer
  - Children
    - Cost of such education in similar school (an exemption of Rs. 1000 p.m. per child is available)
  - Other house hold member
    - Cost of such education in similar school
- Provided in any other school
  - Children
    - Cost of such education (an exemption of Rs. 1000 p.m. per child is available)
  - Other house hold member
    - Cost of such education incurred

Leave travel concession sec 10(5)

Where journey is performed by air

Amount of economy class air fare of the national carrier by shortest route or amount spent whichever is less will be exempted

Where journey is performed by rail

Amount of air conditioned 1st class fare of the Rail by shortest route or amount spent whichever is less will be exempted

Where the place of origin of journey and destination are connected by rail and journey is performed by any other mode of transport

Amount of air conditioned 1st class fare of the Rail by shortest route or amount spent whichever is less will be exempted

Where the place of origin of journey and destination are not connected by rail

where a recognized public transport exists

First class or deluxe class fair by the shortest route or the amount spent whichever is less

where no recognized public transport exists

Air conditioned first class rail fare by the shortest route or the amount spent whichever is less.

Exemption is available in respect of amount spent on LTC if the following conditions are satisfied:
1)exemption can be claimed for two journeys in a block of four years and out of two journeys exemption for one journey can be claimed in the calendar year succeeding the end of the block.
2) Exemption is available only for two children but exemption will be available for all children born before October 1,1998
Block of Years, 2002-2005, 2006-2009, 2010-2013 (Calendar Year)

Medical Facilities

Medical treatment of the employee or his family (spouse and children, dependent - parents, brothers and sisters)

hospital maintained by the employer

exempted

hospital not maintained by the employer but approved by the Govt, local authority, Chief Commissioner IN CASE OF SPECIFIED DEASES

exempted

Premium paid by an employer by chequ to General Insurance Corporation to effect/keep in force:

Insurance on the health of his employees.
Medical Insurance Premia

exempted

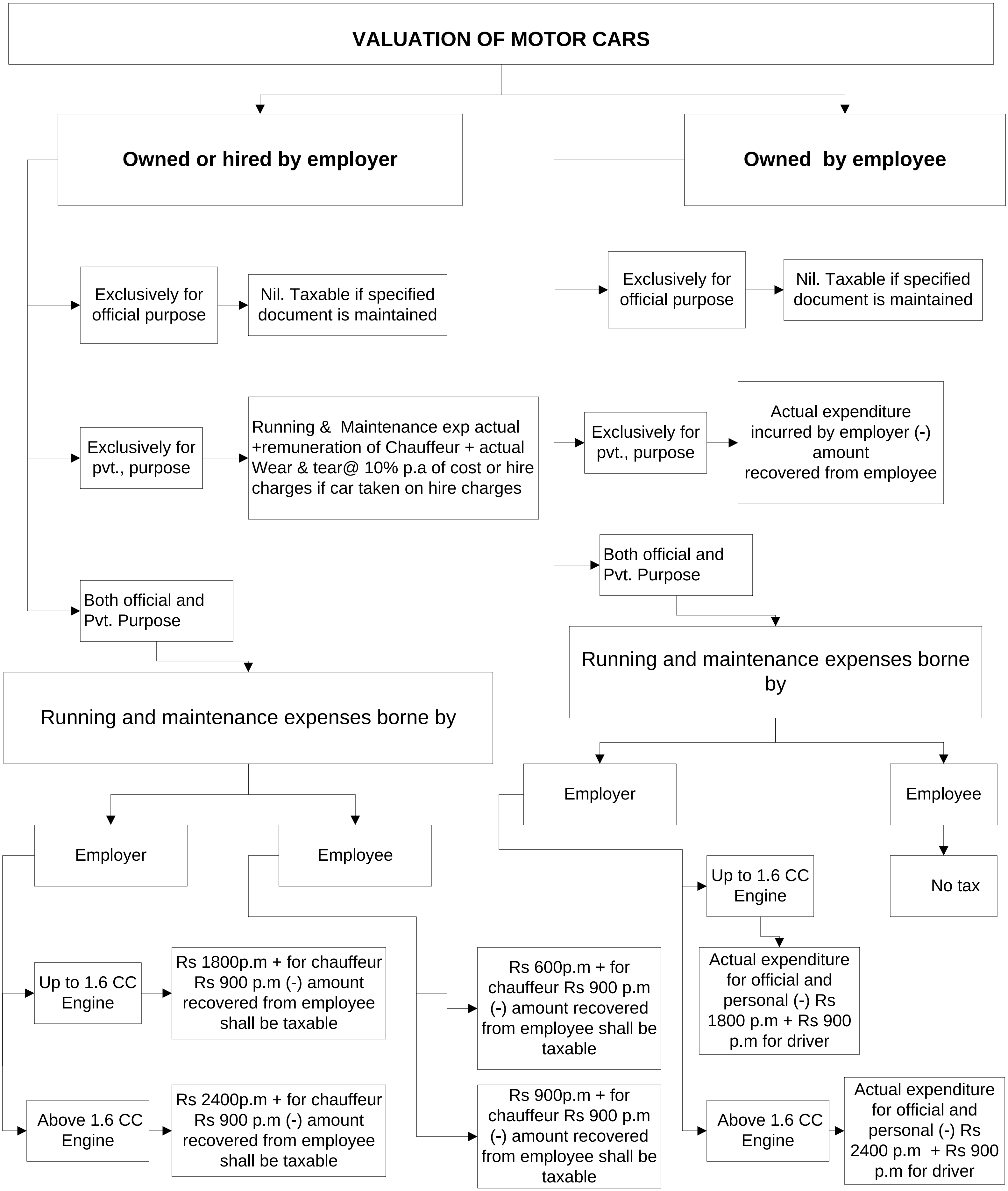
Any sum, not exceeding Rs. 15000 to any hospital, nursing home or a clinic OTHER THAN OWNED BY EMPLOYER OR SPECIFIED

exempted

Amount payable for treatment Outside India: -
Medical expenses - to the extent permitted by RBI.
If Gross Total Income (before including the travel expenditure) of the employee, does not exceed Rs.2,00,000/-, then travel abroad for patient and one attendant - fully deductible.
Stay abroad for patient and one attendant - permitted by RBI.

PROVIDENT FUND:

Employer's Contribution to RPF in excess of 12% of salary is taxable
Employees Contribution to RPF is available for deduction
Interest credited to RPF in excess of 9.5% up to 31-08-2011 & 8.5% from 01-09-2010 is taxable



Note: Other vehicles owned by employee but expenses met or reimbursed by employer taxable perks should be treated in excess of Rs. 600 p m