

QUICK REFERENCER- INCOME TAX & WEALTH TAX



DIRECT TAXES COMMITTEE
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)



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TAX RATES

RANGE OF INCOME	AY 2009-10	AY 2010-11	AY 2011-12	AY 2012-13	AY 2013-14
Maximum exemption limit (For Indl. other than resident women/ resident senior citizen/super senior citizen & HUF/AOP/BOI)	1,50,000	1,60,000	1,60,000	1,80,000	2,00,000
For Resident Women Below 60 yrs (65 yrs till 31.03.2011)	1,80,000	1,90,000	1,90,000	1,90,000	2,00,000
For Resident Senior Citizen 60 yrs or more (65 yrs till 31.03.2011)	2,25,000	2,40,000	2,40,000	2,50,000	2,50,000
For Resident Super Senior Citizen 80 yrs or more	-	-	-	5,00,000	5,00,000
Max. exemption limit to Rs. 3,00,000	10%	10%	10%	10%	10%
Rs. 3,00,001 - Rs. 5,00,000	20%	20%	10%	10%	10%
Rs. 5,00,001 - Rs. 8,00,000	30%	30%	20%	20%	20%
Rs. 8,00,001 - Rs. 10,00,000	30%	30%	30%	30%	20%
Rs. 10,00,001 & above	30%	30%	30%	30%	30%
Surcharge (if taxable income exceeds Rs. 10,00,000)	10%	-	-	-	-
EC & SHEC	3%	3%	3%	3%	3%

Taxability of Firm & LLP	AY 2009-10	AY 2010-11	AY 2011-12	AY 2012-13	AY 2013-14
TAX RATE					
- Other than LLP	30%	30%	30%	30%	30%
LLP	-	30%	30%	30%	30%
SURCHARGE (if taxable income exceeds Rs. 1 crore)					
- Other than LLP	10%	-	-	-	-
LLP	-	-	-	-	-
Alternate Min. Tax (AMT) (% of adjusted total income) u/s 115JC	-	-	-	18.5%	18.5%
EC & SHEC					
- Other than LLP	3%	3%	3%	3%	3%
LLP	-	3%	3%	3%	3%

Taxability of Domestic Company	AY 2009-10	AY 2010-11	AY 2011-12	AY 2012-13	AY 2013-14
TAX RATE	30%	30%	30%	30%	30%
SURCHARGE (if taxable income exceeds Rs. 1 crore)	10%	10%	7.5%	5%	5%
Minimum Alternate Tax (MAT) (% of Book Profit) u/s 115JB	10%	15%	18%	18.5%	18.5%
C/F of MAT Credit	10yrs	10yrs	10yrs	10yrs	10yrs
Dividend tax under section 115-O	15%	15%	15%	15%	15%
Surcharge	10%	10%	7.5%	5%	5%
EC & SHEC	3%	3%	3%	3%	3%

NOTE: Limited Liability Partnership Firm (from AY 2012-13) or any other non-corporate assessee (from AY 2013-14) is subject to AMT. However, if the assessee is an Indl/HUF/AOP/BOI/artificial juridical person and the adjusted total income is Rs. 20lacs (or less), then the provisions of AMT are not applicable.

MARGINAL RELIEF: In the case of a company having net income exceeding Rs. 1 crore, the net amount payable as income-tax and surcharge shall not exceed the total amount payable as income-tax on total income of Rs. 1 crore by more than the amount of income that exceeds Rs. 1 crore

Taxability of Long Term Capital Gain (LTCG)	AY 2009-10	AY 2010-11	AY 2011-12	AY 2012-13	AY 2013-14
TAX RATE (with indexation)	20%	20%	20%	20%	20%
SURCHARGE- On Indl/HUF/AOP/BOI (if taxable income exceeds Rs. 10 lacs)	10%	-	-	-	-
- On Firm (if taxable income exceeds Rs. 1 crore)	10%	-	-	-	-
- On Domestic Company (if taxable income exceeds Rs. 1 crore)	10%	10%	7.5%	5%	5%
EC & SHEC	3%	3%	3%	3%	3%

NOTE: Tax on LTCG without indexation can be taken at 10% + SC+ EC & SHEC in case of transfer of listed shares/ securities/ units
EXEMPTION: Income from LTCG is exempt in case of transfer of equity shares/ units of equity oriented fund which are liable to STT.

Taxability of Short Term Capital Gain (STCG)	AY 2009-10	AY 2010-11	AY 2011-12	AY 2012-13	AY 2013-14
TAX RATE	15%	15%	15%	15%	15%
SURCHARGE- On Indl/HUF/AOP/BOI (if taxable income exceeds Rs. 10 lacs)	10%	-	-	-	-
- On Firm (if taxable income exceeds Rs. 1 crore)	10%	-	-	-	-
- On Domestic Company (if taxable income exceeds Rs. 1 crore)	10%	10%	7.5%	5%	5%
EC & SHEC	3%	3%	3%	3%	3%

RESIDENTIAL STATUS

INDIVIDUAL

Resident in India, if any of the following condition is satisfied:	Non- Resident in India, if any of the following condition is NOT satisfied:
a) presence in India for a period of 182 days or more	a) presence in India for a period of 182 days or more
b) presence in India for a period of 60 days or more during the PY and 365 days or more during 4 yrs immediately preceding the relevant PY	b) presence in India for a period of 60 days or more during the PY and 365 days or more during 4 yrs immediately preceding the relevant PY
A Resident Indl. is Resident & ordinarily resident, if the following TWO conditions are satisfied:	
a) Resident in India in at least 2 years out of 10 PY immediately preceding the relevant PY	
b) presence in India for a period of 730 days or more during 7 yrs immediately preceding the relevant PY	
NOTE: The criteria for presence in India for a period of 60 days or more during the PY and 365 days or more during 4 yrs immediately preceding the relevant PY is not applicable in the following cases:	
a) In the case of an Indian citizen or a person of Indian origin who come to India on a visit during PY ; or	
b) In the case of Indian citizen who leaves India during the PY for the purpose of employment ;or	
c) In the case of an Indian citizen who leaves India during the PY as a member of crew of an Indian ship.	

HINDU UNDIVIDED FAMILY (HUF)

A HUF is resident if the control and management of its affairs are wholly or partly situated in India	A HUF is non-resident if its control and management is situated wholly outside India
A resident HUF is ordinarily resident if Karta or Manager satisfies the following TWO conditions:	
a) Resident in India in at least 2 years out of 10 PY immediately preceding the relevant PY	
b) presence in India for a period of 730 days or more during 7 yrs immediately preceding the relevant PY	

PARTNERSHIPS FIRM/LLP/ASSOCIATION OF PERSONS (AOP)

Firm/LLP/AOP is resident if the control and management of its affairs are wholly or partly situated within India	Firm/LLP/AOP is non-resident if the control and management of its affairs are situated wholly outside India
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COMPANY

A Foreign Company is resident in India, if the control and management of its affairs are situated wholly in India	A Foreign Company is non-resident in India, if the control and management of its affairs are either wholly or partly situated outside India
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An Indian Company is ALWAYS resident in India

TAXABILITY OF INCOME UNDER DIFFERENT HEADS OF INCOME**INCOME FROM SALARIES**

Chargeability : Salary income is chargeable to tax either on due basis or on receipt basis
Employer- employee relationship exists between the payer and the payee

House Rent Allowance (HRA)[sec 10(13A) & Rule 2A]	Least of the following is exempt: (i) 50% of salary (in metro cities)/ 40% of salary, (ii) HRA received, (iii) Rent paid - 10% of salary Where Salary = Basic + DA (if terms of employment so provides) + Commission based on fixed percentage of turnover achieved by the employee as per the terms of contract of employment			
Entertainment Allowance [sec 16(ii)]	Deduction= least of the following: In case of Govt. employees, (i) Rs.5,000 (ii) 20% of basic salary, (iii) the actual amount of entertainment allowance In case of Non-Govt. employees, no deduction is available from AY 2002-03			
Transport Allowance	Rs. 800/- p.m.			
Education Allowance	Rs. 100/- p.m. per child upto TWO children			
Valuation of Rent-Free Accommodation [Rule 3(1)] for private sector or other employees	<p>In case accommodation is owned by employer: Population exceeding 25Lac (as per 2001 census)- 15% of salary/ Population exceeding 10Lac but less than 25Lac (as per 2001 census) (Less)-10% of salary/ Any other- 7.5% of salary Where Salary= Basic + DA+ Bonus + all taxable allowance</p> <p>Where the accommodation is taken on lease or rent by the employer – Amount of lease rent paid or payable or 15 % of Salary (Basic + DA+ Bonus + all taxable allowance), which ever is lower.</p> <p>Concessional unfurnished accommodation– Determine taxable value assuming unfurnished accommodation to be rent free minus amount recovered from employee as rent. If the balancing amount is Zero or negative, nothing is chargeable to tax.</p> <p>Rent free furnished accommodation– Determine taxable value assuming accommodation to be unfurnished add 10% of original cost of furniture in case furniture is owned by employer, in case furniture is taken on hire then add actual hire charges paid.</p> <p>Concessional furnished accommodation – Determine taxable value assuming accommodation to be unfurnished add 10% of original cost of furniture in case furniture is owned by employer and / or actual hire charges paid (or payable), in case furniture is taken on rent or hire by employer less amount recovered from employee as rent.</p> <p>Accommodation provided in hotel for a period not exceeding 15 days in aggregate in a previous year – Fully Exempt. In any other case – 24% of Salary or actual hire charges paid or payable to hotel whichever is lower less amount recovered from employee.</p>			
Leave Travel Concession or Assistance (LTC/LTA) [Sec10(5)]	<p>The exemption shall be allowed subject to following:</p> <table border="1"> <tr> <td>Where journey is performed by air</td> <td>Maximum upto air economy fare of the National Carrier by the shortest route</td> </tr> </table>		Where journey is performed by air	Maximum upto air economy fare of the National Carrier by the shortest route
Where journey is performed by air	Maximum upto air economy fare of the National Carrier by the shortest route			

	Where places of origin of journey destination are connected by rail and the journey is performed by any mode of transport other than air	Max upto air –conditioned first class rail fare by the shortest route.
	Where the places of origin of journey and destination (or part thereof) are not connected by rail and the journey is performed between such places:	a) where a recognized public transport system exists - Max. upto first class or deluxe class fare by the shortest route b) where no recognized public transport system exists - Max. upto air-conditioned first class rail fare by shortest route.
Employment Tax [Sec 16(iii)]	Deduction of any sum paid on account of tax on employment	

TREATMENT OF PROVIDENT FUND

	Statutory PF (SPF)	Recognized PF (RPF)	Unrecognized PF (URPF)
Employer's contribution to PF	Exempt from tax	Exempt upto 12% of salary and excess is taxable	Exempt from tax
Availability of Deduction u/s 80C of employee's contribution	Available	Available	Not Available
Interest credited to PF	Exempt from tax	Exempt upto notified rate of interest (i.e., 9.5%), excess is taxable	Exempt from tax
Maturity amount at the time of retirement or termination of service	Exempt from tax	Exempt from tax subject to fulfillment certain conditions, otherwise PF will be treated as URPF	Payment recd. in respect of employee's contribution is exempt, interest thereon is taxable u/h "Other Sources". Balance is taxable u/h "Salaries". However relief can be claimed u/s 89(1)

INCOME FROM HOUSE PROPERTY

Chargeability: The owner of the House Property (consisting of any Building or land appurtenant thereto) is taxed on the income in the form of its Annual Value u/h "Income from House Property"

Gross Annual Value (GAV)	Higher of Reasonable Expected Rent OR Rent actually received or receivable after unrealized rent but before deducting loss due to vacancy - (Less) Loss due to vacancy
Less: Municipal Taxes	Deductible if these taxes are borne by the owner and are actually paid by him during the PY
Net Annual Value (NAV)	NAV = GAV – Municipal Taxes
Less: Deduction u/s 24	
Standard Deduction u/s 24(a)	@ 30% of NAV is deductible irrespective of any expenditure incurred by the taxpayer
Interest on Borrowed Capital	Deduction is allowable on accrual basis . Maximum amount of interest : a) Interest payment for self-occupied house for acquisition or construction up to Rs. 1,50,000/- b) Interest payment for re-construction, repairs or renewals up to Rs. 30,000/-

= INCOME FROM HOUSE PROPERTY

PROFITS & GAINS OF BUSINESS OR PROFESSION

Chargeability: Profits & gains of any business or profession carried on by the assessee at any time during the PY.

Depreciation (sec 32) – depreciation is allowable in respect of tangible and intangible assets

Additional depreciation @20% is available to an assessee engaged in the manufacturing/production of any article, in respect of new plant & machinery installed after 31.03.2005. If the asset is put to use for less than 180 days in the year in which it is acquired, the rate of additional depreciation will be 10%.

* Additional depreciation from AY 2013-14 can be claimed by an assessee, engaged in the business of generation or generation and distribution of power, if normal depreciation is not claimed under SLM u/s 32(1)(i)

Particulars	Income-tax Act, 1961	Company's Act, 1956	
	% WDV (AY 2006-7 onwards)	%WDV	%SLM
Tangible Assets			
Computer H/W&S/W	60%	40%	16.21%
Plant & Machinery	15%	13.91%	4.75%
Furniture & Fixture	10%	18.10%	6.33%
Cars & Vehicles	15%	25.89%	9.50%
Cars & Vehicles used on hire	30%	40%	16.21%
Building-Non residential	10%	10%	3.34%
Building-Residential	5%	5%	1.63%
Books owned by professionals			
i)Books being annual publications	100%	Revenue	Revenue
ii)Books other than i) above	60%	13.91%	4.75%
Books owned by assessee carrying on business in running or lending library	100%		
Intangible Assets			
Knowhow, patent, copyright, trademarks	25%	AS-26	AS-26

Amount not deductible u/s 40

Sec 40(a)(I)- Interest, royalty, fees for technical services payable outside India to any person or in India to a non-resident. Assessee has to deduct tax at source on the payment so made and deposit the same with the Govt. within the time limit specified u/s 200(1).

In the following cases, expenditure is not deductible:

- If the tax is deductible but not deducted,
- Tax is deducted during the current year (CY) but not deposited during the CY,
- Tax is deducted during the CY but deposited by the assessee in the next FY after the due date u/s 200(1).

Deduction will be allowed, in respect of above expenses, while computing business income of a subsequent PY in which such tax is paid.

Sec 40(a)(ia)- Compliance of TDS provisions in case of resident assessee-

Interest, commission or brokerage, fees for technical services/professional services, payment to contractors/sub-contractors, rent or payment of royalty to a resident

Case-I : Tax is deductible but not deducted	No deduction in the current PY	If tax is deducted in any subsequent year, the expenditure will be allowed as deductible in the year in which TDS will be deposited by the assessee with the Govt.
Case-II : Tax is deductible and deducted during the PY but it is not deposited on or before the due date of submission of ROI u/s 139(1)	No deduction in the current PY	If tax is deposited with the Govt. after the due date of submission of ROI, the expenditure will be deductible in that year in which tax will be deposited

W.e.f. AY 2013-14, a relief will be available in the aforesaid case if the aforesaid conditions are satisfied:-

- Tax is deductible on the aforesaid payments but it is not deducted (wholly or partly) by the payer
- The payer is not deemed to be an assessee-in-default under the first proviso to sec 201(1). Under the first proviso to sec 201(1), the payer is not deemed to be an assessee-in-default if –
 - the resident recipient has furnished his ROI u/s 139;
 - the resident recipient has taken into account the above income in such ROI;
 - the resident recipient has paid the tax due on the income declared in such ROI; and
 - the payer furnishes a certificate to this effect from a Chartered Accountant in a prescribed form.

If the above conditions are satisfied, then it shall be deemed that the payer has deducted and paid the tax on such amount on the date of the furnishing of ROI by the resident recipient.

Sec 40(a)(ii)- Any sum paid on account of income-tax, interest, penalty (fine for non-payment/late payment of income-tax) is not deductible.

Sec 40(a)(iia)- Any sum paid on account of wealth-tax under Wealth Act, 1957, or tax of a similar nature is not deductible.

Sec 40(a)(iii)- Salary payable outside India or in India to a non-resident and tax has not been deducted at source under the Income-tax Act, then payment is not allowed as deduction.

Sec 40A(2)- Any expenditure incurred by an assessee in respect of which payment has been made to specified persons, is liable to be disallowed in computing business profit to the extent such expenditure is considered to be excessive or unreasonable, having regard to the fair market value of goods or services or facilities, etc.

NOTE: From AY 2013-14, the aforesaid disallowance shall not be made in respect of a specified domestic transaction referred to I sec 92BA, if such transaction is at arm's length price.

Sec 40A(3)- Payment made, in respect of an expenditure, in excess of Rs.20,000/- otherwise than by an account payee cheque or an account payee bank draft will not be allowed as deduction. However, Rule 6DD prescribes certain cases and circumstances in which payment in excess of Rs. 20,000/- may be made otherwise than by an account payee cheque or an account payee bank draft.

Sec 44AB- Audit of accounts by certain persons

Different Taxpayers		When compulsory audit required under sec 44AB				
A person carrying on a		Upto AY 2010-11	For AY 2011-12 & 2012-13	From AY 2013-14		
Business	If total sales/turnover/gross receipts for the PY exceeds-	Rs. 40 lakh	Rs. 60 lakh	Rs. 1 crore		
Profession	If total sales/turnover/gross receipts for the PY exceeds-	Rs. 10 lakh	Rs. 15 lakh	Rs. 25 lakh		
A person covered u/s 44AD/44AE/44AF/44BB/44BBB		If such person claims that the profits and gains from the business are lower than the profits & gains computed under these sections (irrespective of his turnover)				
A person covered u/s 44AD		If such person claims that the profits and gains from the business are lower than the profits & gains computed in accordance with the provisions of sec 44AD(1) and if his income exceeds the maximum amount which is not chargeable to tax (applicable from AY 2011-12)				
Different Taxpayers		Tax Audit Form	Statement particulars	Due date for getting books audited	Due date for submission of audit report	
In case of a person who carries on business/ profession and who is required by or under any law to get his accounts audited		Form No. 3CA	Form No. 3CD	Due date of furnishing ROI u/s 139(1)	Due date of furnishing ROI u/s 139(1)	
In case of a person who carries on business/ profession and who is not required by or under any law to get his accounts audited other than Income Tax Act, 1961.		Form No. 3CB	Form No. 3CD	Due date of furnishing ROI u/s 139(1)	Due date of furnishing ROI u/s 139(1)	
Sec 44AD	Eligible Assessee	Non-eligible assessee	Has claimed No deduction	Eligible Business	Turnover	Is it possible to declare lower income
Computation of income on estimated basis @ 8% of the gross receipts or total turnover	Individual HUF Partnership firm (not being LLP)	(i) a person carrying on profession as referred to in sec 44AA(1); (ii) a person earning income in the nature of commission or brokerage; (iii) a person carrying on any agency business	The assessee has not claimed any deduction u/s 10A, 10AA, 10B, 10BA, 80HH to 80RRB in the relevant AY.	The assessee should not be engaged in the business of plying, hiring in or leasing goods carriages referred to sec 44AE.	Total turnover/ gross receipt in the PY of the business should not exceed Rs. 60lakh. (Rs.1 crore from the AY 2013-14)	Assessee can declare lower than the deemed profits subject to fulfillment of following conditions by the taxpayer: i) maintain books of accounts as per sec 44AA (irrespective of income or turnover) if his total income exceeds the exemption limit. ii) get his books of accounts audited u/s 44AB (irrespective of turnover) if his total income exceeds the exemption limit.

Sec 44AE	Eligible Assessee	Min. Deemed profits/gains:
Business of plying, hiring or leasing goods carriages	Assessee who owns not more than 10 goods carriages at any time during the PY	For heavy goods vehicle (more than 12 ton capacity)- Rs. 5,000/- p.m. or part of a month during which the heavy vehicle is owned by the assessee in the PY For goods carriages other than heavy vehicle (upto 12 ton capacity)- Rs.4,500/- p.m. or part of a month during which the goods carriages is owned by the assessee in the PY

INCOME FROM CAPITAL GAINS

Chargeability : Any profit or gain arising from the sale or transfer of a capital asset is chargeable to tax u/h "Capital Gains"

Capital Asset defined u/s 2(14) includes property of any kind, whether fixed or circulating, moveable or immovable, tangible or intangible. Where the "Property" includes any rights in or in relation to an Indian Company, including rights of management or control or any other rights whatsoever.

The following assets are EXCLUDED from the definition of Capital Assets:

- any stock-in-trade, consumable stores or raw material held for the purpose of business or profession;
- personal effects of the assessee (jewellery, archaeological collections, drawings, paintings, sculptures; or any work of art are treated as a capital asset even though it is meant for personal use);
- agricultural land in India provided it is not situated in any notified area or in any area within the jurisdiction of a municipality or a cantonment board having population of 10,000 or more;
- 61/2 % Gold Bonds, 1977 or 7% Gold Bonds, 1980 or National Defence Bonds, 1980 issued by the Central Government;
- Special Bearer Bonds, 1991;
- Gold Deposit Bonds issued under the Gold Deposit Scheme, 1999

Computation of STCG/ LTCG		Amount	Cost Inflation Index (CII)					
FULL VALUE OF CONSIDERATION		XXXXX	FY	CII	FY	CII	FY	CII
DEDUCT: a) expenditure incurred wholly and exclusively in connection with such transfer		-	1981-82	100	1992-93	223	2003-04	463
b) Cost of Acquisition (indexed cost of acquisition in case of LTCG)		-	1982-83	109	1993-94	244	2004-05	480
c) Cost of improvement (indexed cost of improvement in case of LTCG)		-	1983-84	116	1994-95	259	2005-06	497
BALANCE		XXXXX	1984-85	125	1995-96	281	2006-07	519
LESS: Exemption u/s 54B, 54D & 54G (for STCG)/ Exemption u/s 54, 54B, 54D, 54EC, 54ED, 54F & 54G (for LTCG)		-	1985-86	133	1996-97	305	2007-08	551
SHORT TERM CAPITAL GAIN/ LONG TERM CAPITAL GAIN		XXXXX	1986-87	140	1997-98	331	2008-09	582
			1987-88	150	1998-99	351	2009-10	632
			1988-89	161	1999-00	389	2010-11	711
			1989-90	172	2000-01	406	2011-12	785
			1990-91	182	2001-02	426		
			1991-92	199	2002-03	447		

Capital asset held by an assessee for not more than 36 months immediately prior to its DOT is called "Short Term Capital Asset". However, in case of equity/preference shares, listed securities, units of UTI/MF, zero coupon bonds, the period of holding is 12 months for being a Short Term Capital Asset. Capital asset other than short-term is regarded as "Long-Term Capital Asset". Deduction u/s 80C-80U is not allowed on STCG (u/s 111A) & any LTCG.

EXEMPTION FROM CAPITAL GAIN TAX

Sec	Eligible Assessee	Eligible Asset	New Asset	Time limit for acquiring new asset (where DOT=Date of Transfer)	Qualifying Amount	"Capital Gain Account Scheme"
54	Indl / HUF	Residential House	Long term Residential House	Purchase: 1yr before DOT/ 2yrs after DOT Construction: 3yrs after DOT	Lower of the capital gain or investment in new capital asset	Applicable

54B	Indl/ HUF (HUF from AY-2013-14)	Agriculture land used by indl. or his parents or HUF for a period of 2 yrs immediately preceding the DOT	Another land for agriculture purposes	Purchase: 2yrs after DOT	Lower of the capital gain or investment in new capital asset	Applicable
54EC	Any person	Any long-term capital asset	"Long term specified asset" means any bond redeemable after 3 yrs in NHAI or RECL	Within 6 months from the DOT	Lower of the capital gain or investment in new capital asset (w.e.f.01/04/2007 investment in long-Term specified asset cannot exceed Rs. 50 lacs during any financial year)	N.A.
54F	Indl./ HUF	Any Long-term capital asset other than a residential house	A Residential House	Purchase: 1yr before DOT/ 2yrs after DOT Construction: 3yrs after DOT	Net consideration (if cost of new asset not less than the same) Capital gains X Amount invested ÷ Net consideration (if cost of new asset is less than net consideration)	Applicable
54GB	Indl./ HUF	A long-term capital asset being residential property (a house or plot of land)	Equity shares of eligible company*	Before the due date of furnishing ROI u/s 139(1)	Max upto the amount of capital gain Investment in new asset by eligible company) ÷ Net Sales consideration X Capital gain	Applicable

* For the purpose of sec 54GB, eligible company means a company which satisfies the following conditions:-

- Incorporated by the assessee on or after 1st April (of the PY in which residential property is transferred) but on or before the due date of submission u/s 139(1) by the assessee;
- engaged in the business of manufacture of any article or thing;
- assessee has more than 50% share capital(or voting power) after subscription in shares by the assessee;
- the company qualifies to be a SME (i.e. where investment in plant & machinery is more than Rs. 25lakh but not more than Rs. 10 crore)

INCOME FROM OTHER SOURCES

Chargeability: A source of income which does not specifically fall under any other head of income.

Sec 56(2)(vii)- If an Indl./HUF receives on or after 01-10-2009 a sum of money or property without consideration, it is chargeable to tax in the hands of the recipients u/h "Income from Other Sources"

Category	Criteria	Taxability of receipt
Any sum of money (gift in cash or by chq or draft)	<i>Without consideration:</i> Agg. amt of sum recd. >Rs. 50,000	Whole amount received
Immovable property without consideration	<i>Without consideration:</i> Stamp Duty value (SDV) > Rs. 50,000	Whole stamp duty value
	<i>With consideration:</i> Consideration < Stamp duty value (SDV)	Nothing taxable, even if: (SDV- consideration amount) > Rs. 50,000

Movable property without consideration	<i>Without consideration: Agg. FMV > Rs. 50,000</i>	Whole of Agg. FMV
Movable property for a consideration less than FMV	<i>Agg. FMV - Consideration > Rs. 50,000</i>	Agg. FMV- Consideration
Section 56(2)(viiia) - W.e.f. 1-06-2010 , if a Company (other than company in which public are substantially interested)/ Firm receives any property being shares without consideration, it is chargeable to tax in the hands of the recipients u/h "Income from Other Sources"		
Property being shares	<i>Without consideration: Agg amt > Rs. 50,000</i>	Whole of agg FMV
Property being shares	<i>With consideration: Agg. FMV - Consideration > Rs. 50,000</i>	Agg. FMV- Consideration
* Exempted categories- Money/property recd from a relative/ on the occasion of marriage of indl./ recd by way of inheritance/ recd in contemplation of death/ recd from local authority/ recd from any trust or institution u/s 10(23C)/ recd from charitable institute registered u/s 12AA.		
W.e.f. 1.10.2009 – gift recd by a HUF from its members will be treated as gift recd from a relative.		
Sec 56 (2)(viii) - Income by way of interest received on compensation or on enhanced compensation referred to in clause (b) of section 145A.		
Se 56(2)(viiib) - if a Company (other than company in which public are substantially interested) receives from any person being a resident, any consideration for issue of shares that exceeds the face value of the shares, the amount that exceeds the FMV of such shares, it is chargeable to tax in the hands of the recipients u/h "Income from Other Sources" w.e.f AY 2013-14		

INTEREST ON NATIONAL SAVING CERTIFICATES (NSC)

VIII issue / Year	I	II	III	IV	V	VI
Purchased on or after 01-03-2003 but before 01-12-2011	8.16	8.83	9.55	10.33	11.17	12.08
Purchased on or after 01-12-2011 but before 01-04-2012	8.58	9.31	10.11	10.98	11.92	N.A.
Purchased on or after 01-04-2012	8.78	9.56	10.40	11.31	12.30	N.A.

IX issue / Year	I	II	III	IV	V	VI	VII	VIII	IX	X
Purchased on or after 01-12-2011 but before 01-04-2012	8.89	9.68	10.54	11.48	12.50	13.61	14.82	16.13	17.57	19.13
Purchased on or after 01-04-2012	9.10	9.93	10.83	11.81	12.89	14.06	15.34	16.74	18.26	19.92

Deduction u/s 57: Family pension- lower of Rs.15,000 or 33 1/3 % of such income
Any reasonable sum paid by way of remuneration/commission for the purpose of realizing dividend or interest.
Any other expenditure (not being cap. exp.) expended wholly and exclusively for the purpose of earning such income.
In case of interest on compensation or enhanced compensation: 50% of such interest

DEDUCTION FROM TOTAL INCOME U/S 80C TO 80U

Sec	Eligible assessee	Nature of deduction
80C	Incl./ HUF	Life insurance premia, PF contribution, subscription to NSC/notified units of Mutual Fund or UTI, Tuition fees, Repayment of housing loan, FD for 5yrs, 5yrs term deposit in post office (Amount deductible: Max. Rs. 1,00,000/-)
80CCC	Incl.	Contribution to Pension funds (Amount deductible: Max. Rs. 1,00,000/-)
80CCD(1)	Incl.	Contribution by an employee or any other individual towards notified pension scheme. (Amount deductible: Max. up to 10% of the salary of the employee or up to 10% of gross total income in the case of any other individual)
* Agg. Amount of deduction u/s 80C, 80CCC & 80CCD(1) cannot exceed Rs. 1,00,000 from AY 2012-13 (till AY 2011-12 sec 80CCD(2) also included in the limit of Rs. 1,00,000)		
80CCD(2)	Employees	Contribution by an employer towards notified pension scheme (Amount deductible: Max. up to 10% of the salary of the employee)
80CCF	Incl./ HUF	Subscription to long-term infrastructure bonds (applicable for AY 2011-12 & 12-13) (Amount deductible: Max. Rs. 20,000)
80CCG	Resident Incl.	Investment made under any equity saving scheme (applicable from AY 13-14), if gross total income does not exceed Rs. 10lakh (Amount deductible: 50% of amount invested in equity shares, restricted to Rs. 25,000)
80D	Incl./HUF	Medical insurance premia (Amount deductible: Max. Rs. 30,000 / 40,000 – incase of senior citizen)

		Individual	HUF
For whose benefit payment can be made		Assessee, spouse of the assessee and dependent children of the assessee	Parents of the assessee whether dependent or not Any member of family
Medi-claim insurance premium		Deduction available	Deduction available
Contribution to CGHS (from AY 2011-12 onwards)		Deduction available	-
Payment on account of preventive health check-up (from AY 2013-14 onwards)		Deduction available	Deduction available
Max. amt of deduction			
-General Deduction (payment on account of preventive health checkup cannot exceed Rs. 5,000)		Rs. 15,000	Rs. 15,000
-Additional deduction in respect of senior citizen's		Rs. 5,000	Rs. 5,000
80DD	Resident Indl. /resident HUF	Maintenance including medical treatment of a handicapped dependent who is a person with disability (Amount deductible: Max. 50,000 for person with disability/ Max. Rs. 1,00,000 for person with severe disability)	
80DDB	Resident Indl. /resident HUF	Medical treatment expenses (Amount deductible: Rs. 40,000 or (For senior citizen- Rs. 60,000)	
* Senior citizen is an individual who is resident in India and who is at least 65yrs (60yrs from AY 2013-14 onwards) of age at any time during the PY.			
80E	Indl.	Payment of interest on loan taken for higher studies (Amount deductible: Entire amt. of interest is deductible for max. of 8yrs)	
80G	All assesseees	Donation to certain funds, charitable institutions [Amount deductible: Max of 50% of qualifying donation (100% in some cases)] (From AY 2013-14, no deduction u/s 80G will be allowed in respect of donation in cash exceeding Rs.10,000)	
80GG	Indl.	Rent paid for furnished/ unfurnished accommodation (Amount deductible: Least of following: i) Rs.2,000/- p.m.; ii) 25% of total income; iii) Rent paid- 10% of total income	
80GGA	All assesseees not having any income chargeable u/h PGBP	Certain donations for scientific research or rural development. (Amount deductible: sum paid as donations) (From AY 2013-14, no deduction u/s 80G will be allowed in respect of donation in cash exceeding Rs.10,000)	
80GGB	Indian Companies	Contribution given by companies to political parties (Amount deductible: sum contributed to any political party or electoral trust)	
80GCC	Assessee (not being local authority and every artificial juridical person wholly or partly funded by the Govt.)	Contribution given by any person to political parties (Amount deductible: sum contributed to any political party or electoral trust)	
80TTA	Indl./HUF	Interest in savings account (W.e.f. AY 2013-14, deduction is available in respect of any income by way of interest on deposits in a saving a/c with a bank, co-operative society carrying on banking business or a post office) (Amount deductible: Max. Rs. 10,000) [No deduction, if deposit in savings account is held by or on behalf a firm, AOP/BOI]	
80U	Resident Indl.	Income of person with disability (Amount deductible: Rs.50,000 for person with disability/ Rs. 1,00,000 for person with severe disability)	

CLUBBING OF INCOME [Sec 60- 64]

Sec 60- Transfer of Income without transfer of ownership of the asset, is clubbed in the hands of *Transferor*

Sec 64(1)(ii)- Any Remuneration received by the Spouse from a concern in which individual has substantial interest, is clubbed in the hands of individual.

No Clubbing- Remuneration solely attributable to the application of technical or professional knowledge and experience of the spouse. When both husband and wife have a substantial interest in a concern and both are in receipt of remuneration from such concern, such remuneration will be clubbed in the hands of husband/wife whose total income excluding such remuneration is greater.

*Substantial interest- In the case of a company, beneficial holding of equity shares not less than 20% voting power or is entitled to not less than 20% of the profits in the case of a concern other than company, at any time during the PY.

Sec 64(1)(iv)- Transfer of an asset (other than house property) by an individual to his spouse directly or indirectly, otherwise than for adequate consideration or in connection with an agreement to live apart, any income from such asset is clubbed in the hands of transferor.

Sec 64(1)(vi)- Transfer of an asset by an individual, directly or indirectly after 31.05.1973, without adequate consideration to son's wife, any income from such assets is clubbed in the hands of the transferor.

Sec 64(1)(vii)- Transfer of an asset by an individual, directly or indirectly, without adequate consideration to a person or an AOP's for the immediate or deferred benefit of his/her spouse, income arising from the transferred asset is clubbed in the hands of the transferor to the extent of such benefit.

Sec 64(1)(viii)- Transfer of an asset by an individual, directly or indirectly, without adequate consideration to a person or AOP's for the immediate or deferred benefit of son's wife, income arising from the transferred asset is clubbed in the hands of the transferor to the extent of such benefit.

Sec 64(1A)- Income accrues or arises to the minor shall be clubbed in the income of his Parents.

No Clubbing if income derived by the minor from manual work/application of his knowledge or talent or if the minor child suffering from disability of the nature specified in sec 80U

Income will be clubbed with the income of that parent whose total income is greater [excluding the income u/s 64(1A)]

Where the marriage of the parents doesn't subsist, income will be clubbed with that parent who maintains the minor child in the relevant PY

Where such income is once included in the income of either parent, then any such income arising in any succeeding year shall not be clubbed with other parent, unless the AO is satisfied.

Exemption to the individual in respect of the income of the minor: Rs. 1500/- in respect of each minor child restricted to the income so clubbed.

Sec 64(2)- Where a member of a HUF has converted his self-acquired into joint property (or a member transfers his property without consideration to his HUF),

- The entire income from the converted property is taxable as the income of the transferor.
- If the converted property is subsequently partitioned, the income derived from such converted property as is received by the spouse of the transferor will be taxable as income of the transferor.

Income arising to the transferee, from accretion to assets or accumulated income from the assets, is taxable in the hands of *Transferee*.

CARRY FORWARD AND SET OFF OF LOSSES

Losses from		Set off against income of		Carry forward and set off		
		Same head	Another head	C/F	Years	Set off against
i	House Property	Any other HP	Any other head	Yes	8	Same head
ii	Speculation business	Speculation business only	No	Yes	4	Speculation profits
iii	Specified business	Specified business only	No	Yes	No limit	Specified business profits
iv	Non- speculation Business	Any business income	Other than salary income	Yes	8	Any income under same head
v	Unabsorbed Depreciation/ cap exp. on SR/FP	Any income	any income	Yes	No limit	Any income other than salary
vi	Long term capital loss	LTCG	No	Yes	8	LTCG
vii	Short term capital loss	STCG/LTCG	No	Yes	8	Any capital gain
viii	Activity of owning & Maintaining race horses	Such business	No	Yes	4	Same income

ix	Winning from lotteries/ crossword puzzles etc.	By virtue of sec 58(4), a loss cannot be set off against this income			
x	Other sources (other than viii & ix)	Any income under same head (other than viii & ix)	Any other head	No	N.A.
xi	Exempted source	No	No	No	N.A.

* It is not necessary to submit return of loss in time in case loss u/h house property and on account of unabsorbed depreciation

ADVANCE TAX		DUE DATES FOR ADVANCE TAX PAYMENT		
Obligation to pay advance tax if advance tax liability is Rs. 10,000 or more.		Due dates	Corporate Assessee	Non-Corporate Assessee
Exemption:		By 15th Jun	Upto 15%	-
● In case presumptive income u/s 44AD, advance tax is NOT required to be paid during the FY 2010-11 onwards.		By 15th Sep	Upto 45%	Upto 30%
● Resident individual who is at least 60yrs of age at any time during the financial year, not having any business/profession, is NOT required to pay advance tax w.e.f. F.Y 2012-13		By 15th Dec	Upto 75%	Upto 60%
		By 15th Mar	Upto 100%	Upto 100%

RETURN OF INCOME (Rule 12)	
ITR- 1 (SAHAJ)	Indl having income from salary/one HP/other source *
ITR- 2	Indl./HUF not having business/professional income
ITR- 3	Indl./HUF being partners in firm (not carrying out business/profession under proprietorship)
ITR- 4	Indl./HUF having income from business/profession
ITR- 4S (SUGAM)	Indl./HUF having business income computed u/s 44AD & AE *
ITR- 5	For Firms/AOP's/BOI
ITR- 6	For Companies other than claiming exemption u/s 11
ITR- 7	For persons incl. companies required to furnish return u/s 139(4A)/(4B)/(4C)/(4D)
ITR- V	Verification form for ITR-1, 2, 3, 4, 5 & 6 transmitted electronically without digital signature.

* ITR-1 & 4S are not applicable for AY 2012-13 in case of resident individual having assets (incl. financial interest in any entity) located outside India or any signing authority in any account located outside India.

Note: Return of income or loss in prescribed form by resident other than not ordinarily resident in India in respect of any asset (including any financial interest in any entity) located outside India and also if act as signing authority in any account located outside India. [Newly Inserted, w.e.f 1st April 2012]

PERIOD OF LIMITATION		
Sec	Nature of Compliance	Limitation of time
139(1)	Return of Income A. Where the assessee is required to furnish report u/s 92E in form 3CEB pertaining to international transaction w.e.f. AY 2012-13 B. Where report u/s 92E is not required- (a) where the assessee is a company (b) where the assessee is a non-corporate assessee (i) in the case where accounts are to be audited or where accounts of the firm in which assessee is a working partner are required to be audited/ in case of co-operative society; (ii) in other case	30th Nov. of AY 30th Sep. of AY 30th Sep. of AY 31st July of AY

139(3)	Return of loss	Within time allowed u/s 139(1)
139(4)	Belated Return	Within 1 yr from the end of relevant AY or before completion of assessment, whichever is earlier
139(5)	Revised Return	Within 1 yr from the end of relevant AY or before completion of assessment, whichever is earlier
140A	Payment of income-tax on self-assessment/ payment of interest on tax due for filing belated return or default or delay in payment of advance tax	Before furnishing ROI
143(1)	Intimation u/s 143(1)	Before expiry of 1 yr from the end of FY in which return is furnished 6 months from the end of FY in which return is submitted
143(2)	Serving notice for regular assessment	
147	Reassessment where assessment has been made u/s 143(3) /147	Within 4 yrs from the end of relevant AY [unless escapement of income is because of assessee's failure to file return u/s 139 or in pursuance of notice u/s 142(1) or 148 or to disclose fully and truly all material facts or unless escapement of income is in relation to any asset located outside India]
149(1)	Issuing notice u/s 148 if the escaped income: (i) is less than Rs.1,00,000 (ii) is Rs. 1,00,000 or more (iii) is in relation to any asset(incl. financial interest in any entity) located outside India	Within 4yrs from the end of relevant AY Within 6yrs from the end of relevant AY Within 16yrs from the end of relevant AY [w.e.f 01/07/2012]
149(3)	Issuing notice u/s 148 to a person treated as agent of non-resident u/s 163	Within 6yrs from the end of relevant AY
153(1)	Passing assessment order u/s 143 /144	Within 2yrs from the end of AY in which income is first assessable
153(2)	Making assessment/ reassessment etc. u/s 147	Within 1yr from the end of FY in which notice u/s 148 is served
153(2A)	Making assessment order in pursuance of order u/s 250, 254, 263 or 264 setting aside or cancelling assessment	Within 1yr from the end of FY in which order u/s 250/254 is recd. by CCIT/CIT or an order u/s 263/264 is passed by CCIT/CIT
153B	Passing assessment order u/s 153A	Within 2yrs from the end of FY in which the last authorizations for search/requisition u/s 132/132A was executed (where the last authorization was executed on or after 1.04.2009 and during the course of assessment/reassessment proceedings(or proceedings u/s 153C), a reference is made to TPO on or after 01.07.2012, the assessment can be completed by the AO within 3yrs from the end of AY)
154(1) / (7)	Rectification of mistake apparent from record	Within 4yrs from end of FY in which order sought to be amended is passed or within 6 months from the end of the month in which rectification application is recd. by the Income-tax authority, whichever is earlier
249	Filing of appeal to Commissioner (Appeals)	Within 30 days from date of payment of tax/date of service of demand notice/ date of communication of order
253(3)	Filing appeal to Tribunal	Within 60 days from the date on which order sought to be appealed against is communicated.
263(2)	Revising orders prejudicial to revenue by Commissioner	Within 2yrs from end of FY in which order sought to be revised was passed
264(3)	Filing revision petition to CIT (order not to be prejudicial to assessee)	Within 1yr from date of communication of order sought to be revised

INTEREST				
Sec	Particulars	Interest rate	Period for which interest is payable	Amount on which interest is payable
234A	Default in furnishing return of income	1%p.m. or part thereof	Begins: from the due date for filing ROI Ends: On date of furnishing ROI or date of completion of assessment u/s 144.	Tax on total income determined u/s 143(1)/143(3)/147/153A Less: Adv. tax paid/ TDS/ relief u/s90/90A/91/ MAT credit u/s 115JAA
234B	Interest for default in payment of advance tax	1% p.m. or part thereof	Begins: From 1st April of Assessment Year Ends: Date of determination of total income u/s 143(1) or regular assessment	Tax on total income determined u/s 143(1)/regular assessment. Less: Adv. tax paid/TDS/ relief u/s90/90A/91/ MAT credit u/s 115JAA or 115JD
234C	Deferment of Advance Tax	1% p.m. or part thereof	3months or 1month depends upon the deferment in payment of the advance tax	Tax on total income declared in the return filed by the assessee. Less: TDS/ relief u/s90/90A/91/ MAT credit u/s 115JAA Less: Tax credit u/s115JD in case of non-corporate assessees
234D	Interest on excess refund	0.5% p.m. or part thereof	Begins: Date of grant of refund u/s 143(1) Ends: Date of regular assessment	I- If refund is granted u/s 143(1) but no refund is due, then interest is payable on whole amount refunded. II- If refund is granted u/s 143(1) exceeds the amount refundable on regular assessment, then interest is payable on such excess amount refunded.

PENALTY				
Sec	Nature of default	Minimum Penalty	Maximum Penalty	
140A(3)	Failure to pay whole or any part of income-tax or interest or both in accordance with the provisions of sec 140A(1)	Such amount as the AO may impose	Tax in arrears	
221(1)	Default in making payment of tax within prescribed time	---do---	---do---	
271(1)(b)	Failure to comply with notice u/s 115WD(2)/115E(2)/142(1)/143(2)/ direction issued u/s 142(2A)	Rs.10,000 for each failure		
271(1)(c)	Concealment or inaccurate furnishing of particulars of income	100% of tax sought to be evaded	300% of tax sought to be evaded	
271A	Failure to keep or maintain book of accounts u/s 44AA	Rs. 25,000		
271AA	Failure to keep or maintain in respect of international transaction/ w.e.f. 01.07.2012, failure to report international transaction or specified domestic transaction/ w.e.f. 01.04.2013, furnishing of incorrect information	2% of value of each international transaction or specified domestic transactions		
271B	Failure to get accounts audited u/s 44AB or furnish said report as required u/s 44AB	½% of the total sales, turnover or gross receipts upto 31.03.2011)	Rs.1,50,000 (Rs.1,00,000)	
271BA	Failure to furnish report u/s 92E	Rs.1,00,000		
271C	Failure to deduct whole or any part of tax as required u/s 192- 196C or fails to pay tax on dividends u/s 115O or under second proviso to sec 194B	Amount of tax which such person has failed to deduct or pay		
271F	Failure o furnish ROI before the end of relevant assessment year	Rs.5,000		
271G	Failure to furnish information or documents relating to international transaction or (w.e.f. 01.04.2013) specified domestic transactions u/s 92D	2% of value of international transaction or specified domestic transactions for each failure		
271H	Failure to submit (or furnish incorrect statements) quarterly TDS/TCS returns (w.c.f. 01.07.2012)	Rs. 10,000	Rs. 1,00,000	

DEDUCTION OF TAX AT SOURCE [TDS]				
Sec	Nature of Payment	Limit upto 30.06.10	Limit w.e.f. 01.07.10	TDS rate
192	Payment of salary to a resident /non-resident [normal rate of tax is applicable]	-	-	-
193	Interest on securities	2,500 (30.06.2012)	5,000 (01.07.2012)	10%
194A	Interest other than interest on securities (Rs. 10,000 for banks/co-operative society/post office)	5,000*	5,000*	10%
194B	Winnings from lottery or crossword puzzle or card game or other game	5,000	10,000	30%
194BB	Winnings from horse races to a resident/non-resident	2,500	5,000	30%
194C	Payment to contractor/sub-contractor (Note 1 & 2)			
a)	Payment/credit to an incl./HUF			
	- single payment	20,000	30,000	1%
	- aggregate payment	50,000	75,000	
b)	Payment/credit to any person other than incl./HUF			
	- single payment	20,000	30,000	2%
	- aggregate payment	50,000	75,000	
194D	Insurance commission	5,000	20,000	10%
194H	Commission or brokerage	2,500	5,000	10%
194I	Rent to a resident			
a)	Rent on plant & machinery	1,20,000	1,80,000	2% *
b)	Rent on land or building or furniture or fitting	1,20,000	1,80,000	10% *
194J	Professional fees, technical fees, remuneration or fees or commission to a director of a company, royalty paid or payable to a resident (Note 1 -3)	20,000	30,000	10%
194LA	Compensation payable on compulsory acquisition of immovable property	1,00,000 (30.06.2012)	2,00,000 (01.07.2012)	10%
194LB	Interest payable to non-resident by an infrastructure debt fund	-	-	5%**
194LC	Interest payable to non-resident/foreign company by an Indian specified company	-	-	5%**

W.e.f. 01.04.2010- If the recipient doesn't furnish his PAN tax will be deducted @ 20%

Note 1- If recipient is a transporter contractor (any person) and furnishes his PAN to the deductor, tax is not deductible (w.e.f. 01.10.2009) (PAN intimated to ITD)

Note 2- Tax is deductible on the entire consideration including service tax (if any)

Note 3- Remuneration paid to a Director, which is not in the nature of salary; deduct TDS@10% of such remuneration w.e.f. 01.07.2012.

* Tax is not deductible on service tax- Circular No. 4/2008, dated 28.04.2008

Surcharge, EC & SHEC are not applicable. However, EC & SHEC is applicable on TDS from salary.

** Surcharge @2% is applicable if the recipient is a foreign co. and payment is subject to TDS during FY exceeds Rs. 1crore and not applicable for non-resident other than foreign company. However, EC & SHEC are applicable if recipient is a non-resident or a foreign co.

No deduction to be made in certain cases (sec 197A)

Declaration is to be submitted by the recipient in duplicate to the payer of income along with PAN in Form No. 15G (Form No. 15H for senior citizen), the payer will not deduct TDS. [Senior citizen is a resident individual who is at least 60yrs of age (65yrs is applicable upto 31.03.2011) during the financial year]. The payer is required to deliver to the CIT (to whom AO having jurisdiction to assess the payer is subordinate) one copy of said declaration within 7days of the month next following the month in which such form is furnished to him.

PROVISIONS RELATED TO TDS				
Deposit of TDS	Where amount is paid/credited before the m/o March: Within 7days from the end of the month in which tax is deducted			
	Where amount is paid/credited in the m/o March: By 30th April			
Quarterly statement of TDS/TCS	Tax deduction from salary u/s 192			Form 24Q
	Tax deduction when deductee's are non-resident (not being company), foreign company & persons who are resident but not ordinarily resident			Form 27Q
	Tax deduction in any other case			Form 26Q
	Tax collection			Form 27EQ
Quarter ending	Govt. Deductors (w.e.f. 01.11.2011)		Other Deductors/ Govt. deductors prior to 01.11.2011	
	Due date for submission TDS/TCS returns	Time-limit for issue of TDS/TCS certificate (Form 16A/ Form 27D)	Due date for submission TDS/TCS returns	Time-limit for issue of TDS/TCS certificate (Form 16A/ Form 27D)
30th June	31st July	15th Aug	15th July	30th July
30th Sep	31st Oct	15th Nov	15th Oct	30th Oct
31st Dec	31st Jan	15th Feb	15th Jan	30th Jan
31st Mar	15th May	30th May (Form 16 by 31st May of AY)	15th May	30th May (Form 16 by 31st May of AY)
Interest u/s 201 (1A)/ 206(7)	Rate of interest (p.m. or part thereof)	Period of which interest is payable (w.e.f. 01.07.2010)		
	1%	From the date on which tax was deductible to the date on which tax is actually deducted.		
	1.5%	From the date on which tax was actually deducted to the date on which tax is actually paid.		
<p>W.e.f. 01.07.2012, the payer shall not be deemed to be an assessee in default if-</p> <ul style="list-style-type: none"> ➤ the resident recipient has included such income in his return submitted u/s 139 and the recipient has paid tax on such income; and ➤ the payer submits a certificate to this effect from a Chartered Accountant in a prescribed form. <p>In such a case, interest shall be payable @1% from the date on which tax was deductible to the date of furnishing of return of income by the resident recipient.</p> <p>Similar rule will be applicable from July 1, 2012 in the case of non-collection of tax at source.</p>				

TRANSFER PRICING REGULATIONS [Sec 92 – 94A]

- Income arising from an International Transaction including cost allocation / apportion arrangements and Specified Domestic Transactions subject to transfer pricing regulations;
- Meaning of international transaction given in section 92B;
- Meaning of specified domestic transaction in excess of aggregate of Rs. 5 crores refer to in Section 92BA
- Requirement to maintain requisite documentation u/s 92D read with Rule 10D if value of international transaction exceeds 1 Cr. in case of international transactions (otherwise only arms length price needs to be demonstrated) and 5 Cr in case of specified domestic transactions;
- Report from Accountant in Form 3CEB in respect of international transaction and specified domestic transaction to be filed physically with the jurisdictional Assessing Officer u/s 92E by 30th November.

WEALTH TAX

Chargeability: Wealth Tax is charged for every assessment year in respect of net wealth of the corresponding valuation date of every individual, HUF, and company, @ 1% of the amount by which net wealth exceeds Rs. 30,00,000. Where Valuation date = 31st March immediately preceding the AY

EXEMPTED ASSESSEES	COMPUTATION OF NET WEALTH	
Any company registered u/s 25 of the Companies Act, 1956	Value of assets belonging to the assessee as on the valuation date	XXX
Any Co-operative society	Add: Deemed Assets u/s 4	XXX
Any social club	Less: Exempted assets u/s 5	XXX
Any political party	GROSS WEALTH	
A mutual fund specified u/s 10(23D)	Less: Debts owed by the assessee incurred on	XXX
The Reserve Bank of India	the assets included in the net wealth	XXX
	NET WEALTH	
		XXX

ASSETS [Sec 2ea]

● **Guest House, residential house or commercial building**

Exception: (a) A house exclusively for residential purpose allotted by a company to an employee/ officer/ director who is in whole-time employment, having gross annual salary of less than Rs. 5,00,000 (Rs. 10,00,000 w.e.f. AY 2013-14);
 (b) any house for residential or commercial purposes which forms part of Stock-in-trade;
 (c) any house used for business or profession carried on by the assessee;
 (d) any residential property that has been let out for 300 days or more in the PY;
 (e) any commercial establishments or complexes.

● **Motor Cars**

Exception: (a) Motor cars used by the assessee in the business of running them on hire;
 (b) Motor cars held as stock-in-trade

● **Jewellery, Bullion, furniture, utensils and any other article made wholly or partly of gold, silver, platinum or any other precious metal**

Exception: (a) Jewellery as stock-in-trade
 (b) Jewellery doesn't include Gold Deposit Bonds issued under Gold Deposit Scheme, 1999, notified by the Central Govt.

● **Yachts, Boats and aircrafts**

Exception: Used for commercial purposes.

● **Urban Land (Land situated in municipality whose population exceeds 10,000 or within 8K.m. from local limit of municipality)**

Exception: (a) Land on which construction of building is not permissible under any law for the time being in force in the area in which land is situated;
 (b) Land occupied by any building which has been constructed with the approval of the appropriate authority;
 (c) Any unused land held by the assessee for industrial purposes for a period of 2 yrs from the date of its acquisition;
 (d) Any land held by the assessee as stock-in-trade for a period of 10 yrs from the date of its acquisition.

● **Cash-in-hand-** In case of Indl./HUF - Cash in hand exceeding Rs. 50,000 on the valuation date;
 In any other case – any amount Not recorded in the books of accounts.

DEEMED ASSETS [Sec 4]

● Assets transferred to spouse otherwise than for adequate consideration or in connection with an agreement to live apart;

● Assets held by minor child not being married daughter. **Exception:** Net wealth of minor child will not be clubbed in the following cases:

- minor child suffering from the disability of the nature specified u/s 80 U of the Income-tax Act, 1961;
- assets acquired by the minor child from the income earned on account of manual work or any activity involving application of skills, talent or specialized knowledge or experience;

● Asset transferred to a person or an AOP without adequate consideration for the benefit of the transferor or his/her spouse;

● Assets transferred under revocable transfer;

● Assets transferred to son's wife;

● Asset transferred to any person or an AOP without adequate consideration for the benefit of son's wife;

- Interest of Partner of a firm or member of AOP;
- Conversion by an individual of his self-acquired property into joint family property without adequate consideration;
- The value of any assets transferred under an irrevocable transfer, as and when the power to revoke arises to him;
- Gifts by book entries ;
- Holder of impartible estate;
- Property held by a member of a housing society;
- Property held by a person in part performance of a contract.

EXEMPTED ASSETS [Sec 5]

- | | |
|---|---|
| a) Property held under trust or other legal obligation for any public purpose of charitable or religious nature in India; | d) One house or a part of house or plot of land (500sq.mt. or less) belonging to an individual or HUF |
| b) Coparcenary interest in a HUF | c) Assets belonging to Indian repatriates |
| c) Residential building of a former ruler | f) Former Ruler's Jewellery |

VALUATION OF ASSETS [Schedule III to Wealth Tax Act, 1957]

Valuation of Immovable Property	Rule 3 to 8
Global valuation of assets of Business	Rule 14
Valuation of Interest in firm/AOP's	Rule 15 & 16
Valuation of life interest	Rule 17
Valuation of Jewellery	Rule 18 & 19
Valuation of other assets	Rule 20
Restrictive covenants to be ignored	Rule 21

A GLIMPSE OF INITIATIVES TAKEN BY DIRECT TAXES COMMITTEE DURING THE YEAR 2012-13 & 2011-12**1. ACTIVITIES RELATING TO UNION BUDGET**

- ✓ Budget Viewing Workshop and Live Webcast on Union Budget in both years
- ✓ Articles on Direct taxes proposals of Union Budget were published in the Budget Special issue of CA Journal.
- ✓ Submission of Post-Budget Memorandum to the Government.

2. REPRESENTATIONS / INTERACTIONS WITH GOVERNMENT (Ministry of Finance and Ministry of Corporate affairs)

- ✓ Inputs given to the Central Direct Taxes Advisory Committee (CDTAC) chaired by Shri. Pranab Mukherjee, Honble Finance Minister.
- ✓ Representation made on the definition of "Accountant" in Direct Taxes Code Bill- Recommendations of the Standing Committee.
- ✓ Submission of Preliminary PAN based specific issues related to TDS & CPC.
- ✓ Representation to CIT(CPC) towards malicious report in the Gujarat Newspaper pointing Chartered Accountants claiming false claims using e-filing mode of Income-tax Returns.
- ✓ Submission of suggestions on ways and means for improvement of taxpayer's services to DIT(TDS).
- ✓ Representation to CBDT to review the ITR Forms vis-à-vis Revised Schedule VI.
- ✓ Submission of issues involved in convergence of Companies Act, IFRS, GST and DTC on request of Ministry of Corporate affairs.
- ✓ Issues faced by assesseees in claim of TDS and e-filing of returns
 - a) Interaction with Mr. Sanjai Verma, CIT of CPC Bengaluru
 - b) Meeting with Standing Committee on TDS formed by Directorate of Income-tax (TDS)
 - c) Submission of illustrative Master Guides in respect of circulars/notifications/ instructions issued by the CBDT to DIT (TDS)
- ✓ Guidelines for empanelment of an accountant, if any, adopted to conduct special audit under section 142(2A).
- ✓ Representation to Chairman, CBDT to curb malpractice of misusing the membership details of others.
- ✓ Preparation and submission of draft Single Direct Taxes Return Form for Direct Taxes Code
- ✓ Guidance by ICAI on Tax queries at the Special Camp hosted by the Income-tax Department at Vikas Bhawan, New Delhi.
- ✓ Representation to Chairman, CBDT for extension of Due date of filing of Income Tax Returns.
- ✓ Submission of inputs on Tax Accounting Standard (TAS)
- ✓ Submission of Pre-Budget Memorandum, 2012
- ✓ Representation to consider the practical difficulties being faced by assesseees due to generation of erroneous arrear demands by CPC
- ✓ Organisation of LIVE Webcast on "CPC & E-filing-Issues / Resolutions and the way forward".

3. OTHER INITIATIVES

- ✓ Formation of groups to draft Forms and Rules relating to Direct Taxes Code Bill, 2010 to give a way forward to the CBDT
- ✓ Release of "Handbook on the Process of E-filing of Income Tax Returns"
- ✓ An Awareness Programme on Direct Taxes Code, 2010 for the Finance executives of Public enterprises.
- ✓ Clarification regarding "specified number of tax audit assignments"
- ✓ Formation Study group to revive the Post qualification -Tax Management course.
- ✓ Providing subscription of material available in the site www.taxmann.com at a negotiated price of Rs.3500/- instead of Rs. 7500/- to the members of the Institute.
- ✓ Application invited from members for assignment of forensic examination and analysis of seized electronic data by the Income-tax Department.

SEMINARS/CONFERENCES ORGANIZED BY THE COMMITTEE DURING THE YEAR 2011-12 & 2012-13

- ✓ A National Workshop on Direct Taxes at Indore on 30th April, 2011.
 - ✓ A Workshop on Union Budget at Varanasi on 4th March, 2011.
 - ✓ A Workshop on Direct Taxes at Hyderabad on 18th June, 2011.
 - ✓ A Full Day Workshop on Direct Taxes at Kolkata on 25th June, 2011.
 - ✓ A National Conference on Taxation at Surat on 16th & 17th July, 2011.
 - ✓ A Full Day Workshop at Allahabad on 17th July, 2011.
 - ✓ A Workshop on Taxation at Bhopal on 10th August, 2011.
 - ✓ A National Conference on Taxation at Kolkata on 19th & 20th August, 2011.
 - ✓ Full Day Seminar on Survey, Search and Seizure at Delhi on 27th August, 2011.
 - ✓ An Awareness programme on Direct Taxes Code, 2010 at Delhi on 19th September, 2011.
 - ✓ A National Conference on Direct Tax was organized by Direct Taxes Committee and hosted by NIRC of ICAI on 2nd and 3rd December, 2011 at New Delhi.
 - ✓ A Corporate Conclave was organized by Direct Taxes Committee jointly with Committee for Members in Industry and Committee on International Taxation and hosted by SIRC of ICAI on 9th and 10th December, 2011 at Bangalore.
 - ✓ International Conference at Chennai on 6th January, 2012.
 - ✓ A Workshop on Union Budget- 2011 at Varanasi on 4th March, 2012.
 - ✓ A National Tax Seminar at Bhopal on 13th January, 2012.
 - ✓ A Full Day Seminar on Taxation at Kanpur on 13th January, 2012.
 - ✓ A Seminar on Survey, Search & Seizure-practical aspects at Goa on 25th February, 2012.
 - ✓ A Consultation meeting on Advancement Administration at Chennai on 30th April, 2012.
 - ✓ A National tax Convention- 2012 at Jamnagar on 23rd & 24th June, 2012.
- A series of Tax Awareness Programmes are being organized by the Direct Taxes Committee all over the country to bring the Income-tax Department closer to the members of the Institute.*
- ✓ Tax Awareness Programme at Salem on 16th June, 2012.
 - ✓ Tax Awareness Programme at Agra on 16th June, 2012.
 - ✓ Tax Awareness Programme at Faridabad on 16th June, 2012.
 - ✓ Tax Awareness Programme at Nagpur on 29th June, 2012.