Contents

◆ All	bout ti	ords from the authors he authors wise Index	PAGE I-5 I-7 I-25
	1	Basic concepts	
 1.	Asse	essment year	1
2.		rious year	1
3.	Pers	•	5
4.	Asse	ssee	6
5.	Cha	rge of income-tax	6
6.	Inco		7
7.	Gros	ss total income	17
8.	Tota	l income and tax liability	21
9.	Agri	cultural income	23
10.	Diffe	erence between exemption and deduction	23
11.	Asse	ssment	24
12.	Defi	nition of "manufacture"	24
13.	Capi	tal asset	24
14.		apany	24
15.		market value	24
16.		tal receipts vs. Revenue receipts	24
17.	_	tal expenditure vs. Revenue expenditure	31
18.		hod of accounting	31
19.		nitions of amalgamation, demerger, infrastructure capital company and astructure capital fund	32
20.	Rule	es of interpretation	33
	2	Residential status and tax incidence	
22.	Wha	t is relevance of residential status	47
23.		dential status - General norms	47
24.	Resi	dential status of an individual	48
25.	Resi	dential status of a Hindu undivided family	56
26.		dential status of the firm and association of persons	57
27.		dential status of a company	58
28.		dential status of "every other person"	62
29.	Rela	tion between residential status and incidence of tax	62
30.	Rec	eipt of income	65
31.	Accı	rual of income	67
32.	Inco	me deemed to accrue or arise in India	71

Contents	I-10
Contients	

			PAGE
2A.		Managers in India not to constitute business connection of offshore funds	88
33.		s for tax planning in respect of residential status	90
4.	Prob	lems on residential status and tax incidence	91
	3	Incomes exempt from tax	
⁻ <u> </u>	Incor	mes exempt under section 10	94
9.		ial provisions in respect of newly established undertakings in	
•		trade zone, etc.	128
0.	Spec	ial provisions in respect of newly established units in Special Economic Zone	128
1.	Spec	ial provisions in respect of newly established hundred per cent	400
_		rt-oriented undertakings	132
2.		ial provision in respect of export of artistic hand-made wooden articles	133
13.		me exempt under section 13A	133
ŀ4. —	Exen	nption to Electoral Trust	133
	4	Salaries	
6.	Essei	ntial norms of salary income	135
7.		of charge	137
8.		e of accrual of salary income	138
19.	Tax t	reatment of different forms of salary income	139
0.		vance	157
1.	Perq	uisites	164
2.		ation of perquisites	168
3.		action from salary income	198
4.		on salary of non-resident technicians	198
5.		ries of other foreign citizens	198
6.		loyees' provident fund	199
7.		oved superannuation fund	206
8.		oved gratuity fund	206
59.		action under section 80C	206
50.	Relie	f under section 89	206
51.	Relie	f from taxation in income from retirement benefit account maintained in	
	a not	ified country	209
52 .	Mear	ning of salary for different computations	210
53.	Hints	s for tax planning	212
54.		lems on salary income	213
nne	x 1 : Fr	requently Asked Questions (FAQs) about computation of salary income	225
	5	Income from house property	
-∟_ 36.	Char	geshility	226
37.		geability cability of section 22 in certain typical situations	231
88.			233
		ciple of mutuality <i>vis-a-vis</i> section 22	
0		erty income exempt from tax	234 234
9.	C	putation of income from a let out house property	/ 34
0.			
	Com	putation of income from self-occupied property ial provisions when unrealised rent is realised subsequently	243 252

I-11 Contents

		PAGE
94.	Hints for tax planning	252
95.	Problems on computation of property income	253
App.	Frequently Asked Questions (FAQs) about mode of computation of annual value	263
	Trequently honed Questions (111Qs) about mode of computation of dimidal value	200
	Profits and gains of business or profession	
101.	Chargeability	267
102.	General principles governing assessment of business income	280
103.	Method of accounting	286
104.	Scheme of deductions and allowances	287
105.	Basic principles governing admissibility of deduction under sections 30 to 44DB	287
106.	Deductions expressly allowed in respect of expenses/allowances	289
107.	Rent, rates, taxes, repairs and insurance of building	289
108.	Repairs and insurance of machinery, plant and furniture	290
109.	Depreciation	291
110. 110A.	Investment allowance for acquisition and installation of new plant and machinery Investment allowance in backward area in Andhra Pradesh, Bihar, Telangana or	334
	West Bengal	334
111.	Tea/coffee/rubber development account	335
112.	Site restoration fund	338
113.	Reserves for shipping business	340
114.	Expenditure on scientific research	340
115.	Expenditure on acquisition of patent rights, copyrights, know-how	351
116.	Expenditure for obtaining right to use spectrum for telecommunication services	351
117.	Amortization of telecom licence fees	352
118.	Expenditure on eligible projects or scheme	354
119.	Deduction in respect of expenditure on specified business	354
120.	Payment to the associations and institutions carrying out rural development programmes	359
120A.	Deduction for expenditure incurred on agricultural extension project	360
	Deduction for expenditure for skill development	360
121.	Amortisation of preliminary expenses	361
	Amortisation of expenditure in the case of amalgamation/demerger	365
	Amortisation of expenditure under voluntary retirement scheme	365
122.	Amortisation of expenditure on prospecting, etc., for development of certain minerals	365
123.	Insurance premium	368
124.	Insurance premium paid by a federal milk co-operative society	368
125.	Insurance premium on health of employees	368
126.	Bonus or commission to employees	368
127.	Interest on borrowed capital	369
127A.	Discount on zero coupon bonds	372
128.	Employer's contribution to recognised provident fund and approved superannuation fund	373
128A.	Employer's contribution to notified pension scheme	374
129.	Contribution towards approved gratuity fund	374
130.	Employees' contribution towards staff welfare schemes	374

Contents	I-12
----------	------

534

	Contents	
		PAGE
131.	Write off allowance for animals	375
132.	Bad debts	375
133.	Provision for bad and doubtful debts relating to rural branches of	0.0
100.	commercial banks	379
134.	Transfer to special reserve	382
135.	Family planning expenditure	384
136.	Contribution towards Exchange Risk Administration Fund	385
137.	Revenue expenditure incurred by entities established under any	205
1271	Central, State or Provincial Act	385 385
	Contribution to credit guarantee trust fund Commodities transaction tax/Securities transaction tax	385
137 D .	Expenditure for purchase of sugarcane by a co-operative society engaged in	363
156.	sugar manufacturing	385
138A.	Marked to market loss	386
139.	Expenditure on advertisement	386
140.	Expenses deductible from commission earned by life insurance	
	agents, UTI agents, post office/Government securities agents and	205
	agents of notified mutual funds	387
141.	General deduction	388
142.	Amounts expressly disallowed under the Act	446
143. 144.	Amount not deductible under section 40(<i>a</i>) Amount not deductible in the case of partnership firm	446 458
144.	Amounts not deductible in the case of an association of persons	430
175.	and body of individuals	458
146.	Amount not deductible under section $40(c)/(d)$	458
147.	Payments to relative	458
148.	Payments exceeding Rs. 10,000 paid otherwise than by account payee cheques or bank drafts	461
149.	Expenditure on payment of salary or perquisite to employees	465
150.	Fees for services payable to a former employee	465
151.	Provision for payment of gratuity	465
152.	Interest on public deposit	466
153.	Restriction on contributions by employers to non-statutory funds	466
154.	Disallowance of marked to market loss	467
155.	Disallowance of unpaid liability	467
156.	Deemed profit	477
157.	Income from undisclosed sources	481
158.	Maintenance of accounts by certain persons	483
159.	Audit of accounts by certain persons	485
160.	Special provisions consequential to changes in the rate of exchange of currency	487
161.	Special provision for deduction in the case of trade, professional or similar	401
2011	associations	489
162.	Special provisions	490
163.	Valuation of stock	514
164.	Hints for tax planning	519
165.	Problems on computation of income from business/profession	525
	7 Capital gains	
166.	Chargeability	534

167. Meaning of capital asset

I-13 Contents

		PAGE
168.	Types of capital assets	538
169.	Transfer of capital asset	541
170 .	Computation of capital gain	555
171.	Full value of consideration	558
172.	Expenditure on transfer	559
173.	Cost of acquisition	561
174.	Cost of improvement	574
175.	Indexed cost of acquisition and indexed cost of improvement	576
176.	Computation of capital gain in certain special cases	580
177.	Reference to Valuation Officer	613
178 .	Capital gains exempt from tax	613
179.	Capital gains arising from transfer of residential house	615
180.	Capital gains arising from the transfer of land used for agricultural purpose	621
181.	Capital gains on compulsory acquisition of land and buildings forming part of industrial undertaking	623
182.	Capital gain not to be charged on investment in certain bonds	624
	Capital gain not to be charged on investment in units of a specified fund	627
183.	Capital gains on transfer of a long-term capital asset other than a house property	628
184.	Capital gains on transfer of a sosets in cases of shifting of industrial	020
	undertaking from urban area	634
185.	Exemption of capital gains on transfer of assets in cases of shifting of	
	industrial undertaking from urban area to any Special Economic Zone	636
185A.	Capital gain on transfer of residential property	637
185 B .	Extension of time-limit for acquiring new asset	641
186.	Short-term/long-term capital gains - How charged to tax	642
187.	Hints for tax planning	658
188.	Problems on computation of capital gains	660
	8 Income from other sources	
191.	Basis of charge	666
192.	Relevance of method of accounting	669
193.	Dividend	669
194.	Winnings from lotteries, crossword puzzles, horse races and card games, etc.	678
195.	Sum received from employees as their contribution towards staff welfare schemes	680
196.	Interest on securities	680
197.	Income from machinery, plant or furniture let on hire	684
198.	Income from composite letting of building, machinery, plant or furniture	684
199.	Money/property is received without consideration or for inadequate consideration	686
200.	Share premium in excess of fair market value	696
201.	Advance money received in course of negotiations for transfer of a capital asset	699
	Compensation on termination of employment or modification of terms of employment	700
201B	Distribution by business trusts to unitholders [Secs. 56(2)(<i>xii</i>) and 115UA]	700
	Sum received under a life insurance policy [Sec. 56(2)(<i>xiii</i>)]	700
201C. 202.	Interest on KVP, IVP, NSC, etc.	701
202. 203.	Deductions	702
203. 204.	Other points	706
20 1 . 205.	Problems on computation of income from other sources	707
	2 2 0 0 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	101

			PAGE
	9	Income of other persons included in assessee's total income	
-L		·	
206.		sfer of income without transfer of assets	713
207.		cable transfer of assets	713
208.		n an individual is assessable in respect of remuneration of spouse	714
209.		n an individual is assessable in respect of income from assets ferred to spouse	717
210.		n individual is assessable in respect of income from assets	717
210.		ferred to son's wife	721
211.	Whe	n individual is assessable in respect of income from assets	
	trans	ferred to a person for the benefit of spouse	722
212.		n an individual is assessable in respect of income from assets	
		ferred to a person for the benefit of son's wife	723
213.		me of minor child	723
214.		rersion of self-acquired property into joint family property and	
		equent partition	725
215.		r profits	726
216.		very of tax	726
217.		s for tax planning	727
218.	Prob	lems explaining clubbing provisions	728
	10	6.4.661	
	10	Set off and carry forward of losses	
226.	Mod	e of set off and carry forward - The three steps	733
227.	Inter	-source adjustment - How made	733
228.	Inter	-head adjustment - How made	734
229.	Carr	y forward of loss	736
230.	Loss	of partnership firms	749
231.	Loss	of closely held companies	749
232.	Carr	y forward and set off of loss and depreciation - When permissible in the	
		s of amalgamated and demerged company or co-operative bank	749
233.	Prob	lems illustrating the provisions of set off and carry forward of losses	750
	11	Deductions from gross total income and tax liability	
234.		ntial rules governing deductions	754
235.		action in respect of life insurance premia, deferred annuity, contributions	755
225		ovident fund, subscription to certain equity shares or debentures, etc. action in respect of deposit under National Savings Scheme	763
236 .		ty Linked Savings Scheme	764
237.	_	action in respect of pension fund	765
		action in respect of pension rund	766
		action in respect of subscription to long-term infrastructure bonds -	700
		n available under section 80CCF	768
2370	C. Dedu	action in respect of investment made under any equity saving scheme	768
		action in respect of contribution to Agnipath Scheme [Sec. 80CCH]	769
238.	Dedu	action in respect of medical insurance premia	769
239.		action in respect of maintenance including medical treatment of a	
		ndent being a person with disability - When and to what extent available	772
240.		action in respect of medical treatment, etc.	774
241.	Dedi	action in respect of payment of interest on loan taken for higher studies	777

I-15 Contents

		PAGE
241A.	Deduction in respect of interest on loan taken for residential house property	777
	Deduction in respect of interest on loan taken for certain house property	778
	Deduction in respect of interest on loan taken for purchase of electric vehicle	779
242.	Deduction in respect of donation to certain funds, charitable institutions, etc.	779
243.	Deduction in respect of rent paid	786
244.	Deduction in respect of certain donations for scientific research or rural	
	development	787
245.	Deduction in respect of contributions given by companies to political	
	parties or electoral trust	788
246.	Deduction in respect of contributions given by any person to political parties or electoral trust	789
247.	Deduction in respect of profits and gains from projects outside India	789
248.	Deduction in respect of profits and gains from housing projects aided by World Bank	789
249.	Tax incentives for exports	789
250.	Deduction in respect of earnings in convertible foreign exchange	789
251.	Deduction in respect of profit from export of computer software	789
252.	Deduction in respect of profits and gains from export or transfer of	
	films software	789
253.	Deduction in respect of profits and gains from industrial undertaking or	
	enterprises engaged in infrastructure development etc How to find out	790
253A.	Deductions in respect of profits and gains by an undertaking or enterprise	
	engaged in development of Special Economic Zone	802
	Deduction in respect of eligible start-up	803
254.	Deduction in respect of profits and gains from certain industrial undertakings	
	other than infrastructure development undertakings - How to avail	804
	Deduction in respect of profits from housing projects	821
255.	Deduction in respect of profits and gains of certain undertakings in	022
2553	certain special category of States - How to find out	823
	Deduction in the case of hotels and convention centre in NCR	826 826
255 D .	Deduction in respect of certain undertakings in North-Eastern States Deduction in respect of profits and gains from the business of	820
256.	collecting and processing of bio-degradable waste	827
257.	Deduction in respect of employment of new employees	828
257. 258.	Deduction in respect of employment of new employees Deduction in respect of interest on certain securities, investments, etc.	830
259.	Deduction in respect of interest on certain securities, investments, etc.	050
	International Financial Services Centre	831
260.	Deduction in respect of inter-corporate investment	832
261.	Deduction in respect of income of a co-operative society	834
262.	Deduction in respect of certain income of producer companies	834
263.	Deduction in respect of royalty income of authors	834
264.	Deduction in respect of remuneration or professional income from certain	
	foreign sources	836
265.	Deduction in respect of royalty on patents	836
266.	Deduction in respect of interest on deposits in savings accounts	837
267.	Deduction in respect of interest on deposits in case of senior citizens	838
268 .	Deduction in case of a person with disability	838
269.	Deductions from tax liability	840
270 .	Rebate for resident individuals	840

Contents	I-16
----------	------

			PAGE
	12	Agricultural income	
278	. Defi	nition	843
279		me which is partly agricultural and partly from business	849
280		ally integrated taxation of non-agricultural income with income	0.5
		yed from agriculture	851
281		putation of net agricultural income	852
	13	Typical problems on assessment of individuals	
285	. Tax	incidence on individuals	860
286	. Taxa	ble income - How computed	860
287		iability	861
288		lems on computation of taxable income	865
	14	Tax treatment of Hindu undivided families	
295	. Mea	ning of Hindu undivided family	876
296		lu coparcenary	876
297		erent schools of Hindu law	876
298		and Sikh families	877
299	. Asse	ssment as Hindu undivided family - Basic conditions	877
300		ble income - How to compute	878
301	. Rate	s of tax	880
302	. Parti	tion of a Hindu undivided family	880
303	. Prob	lems on Hindu undivided families	882
	15	Special provisions governing assessment of firms and association of persons	
313	. Mea	ning of partnership	889
314		eme of taxation of firms	889
315	. Whe	n remuneration/interest is deductible	889
316	. Wha	t are the conditions a firm should fulfil under section 184	890
317		t are the conditions for claiming deduction of remuneration to ners under section $40(b)$	891
318	. Wha	t are the conditions for claiming deduction of interest to	897
319		ners under section 40(b)	897 898
320		y forward and set-off of loss in the case of change in the constitution of firm putation of income of firm	901
321		putation of fixed firm	903
322		ssment of partners of a firm	910
323		to compute income of an association of persons (AOP) or	710
		of individuals (BOI)	913
324		putation of income of an AOP/BOI	915
325	. Com	putation of tax of AOP or BOI	915
326		ssment of member of AOP/BOI	917
327	. Hint	s for tax planning	922

I-17 Contents

16 Taxation of companies 333. Definitions 334. Taxable income and tax liability - How computed 355. Carry forward and set-off of losses in the cases of certain companies 366. Minimum alternate tax 377. Tax on distributed profits of domestic companies 3878. Tax on income distributed to unitholders 3879. Tax on income received from venture capital companies and venture capital funds 3870. Additional income-tax on distributed income by company for buy-back of unlisted shares 388. Problems on computation of taxable income of a corporate-assessee 390. 17 Assessment of co-operative societies 391. Deduction in respect of income of co-operative societies 392. Problems on computation of income of a co-operative societies 393. Meaning of co-operative society 394. Deduction in respect of income of co-operative societies 395. Assessment of charitable and other trusts 18 Assessment of charitable and other trusts 198. Charitable purpose 394. Tax exemption 395. Charitable purpose 396. Essential conditions for exemption 397. How to find out exemption u/s 11					PAGE
16 Taxation of companies 333. Definitions 334. Taxable income and tax liability - How computed 335. Carry forward and set-off of losses in the cases of certain companies 336. Minimum alternate tax 337. Tax on distributed profits of domestic companies 3378. Tax on income distributed to unitholders 3379. Tax on income distributed to unitholders 3370. Additional income-tax on distributed income by company for buy-back of unlisted shares 338. Problems on computation of taxable income of a corporate-assessee 17 Assessment of co-operative societies 18 Assessment of charitable and other trusts 18 Assessment of charitable and other trusts 19 100 341. Deduction in respect of income of a co-operative society 342. Problems on computation of income of a co-operative society 343. Meaning of trust 344. Tax exemption 345. Charitable purpose 346. Essential conditions for exemption 347. How to find out exemption u/s 11	328				
333. Definitions 334. Taxable income and tax liability - How computed 335. Carry forward and set-off of losses in the cases of certain companies 336. Minimum alternate tax 337. Tax on distributed profits of domestic companies 3378. Tax on income distributed to unitholders 3379. Tax on income received from venture capital companies and venture capital funds 3370. Additional income-tax on distributed income by company for buy-back of unlisted shares 338. Problems on computation of taxable income of a corporate-assessee 340. Taxable income and tax liability - How computed 341. Deduction in respect of income of co-operative societies 342. Problems on computation of income of a co-operative society 343. Meaning of trust 344. Tax exemption 345. Charitable purpose 346. Essential conditions for exemption 347. How to find out exemption u/s 11			assoc	ciation of persons	929
334. Taxable income and tax liability - How computed 335. Carry forward and set-off of losses in the cases of certain companies 336. Minimum alternate tax 337. Tax on distributed profits of domestic companies 337A. Tax on income distributed to unitholders 337B. Tax on income received from venture capital companies and venture capital funds 337C. Additional income-tax on distributed income by company for buy-back of unlisted shares 338. Problems on computation of taxable income of a corporate-assessee 340. Taxable income and tax liability - How computed 341. Deduction in respect of income of co-operative societies 342. Problems on computation of income of a co-operative society 343. Meaning of trust 344. Tax exemption 345. Charitable purpose 346. Essential conditions for exemption 347. How to find out exemption u/s 11		1	6	Taxation of companies	
334. Taxable income and tax liability - How computed 335. Carry forward and set-off of losses in the cases of certain companies 336. Minimum alternate tax 337. Tax on distributed profits of domestic companies 337A. Tax on income distributed to unitholders 337B. Tax on income received from venture capital companies and venture capital funds 337C. Additional income-tax on distributed income by company for buy-back of unlisted shares 338. Problems on computation of taxable income of a corporate-assessee 340. Taxable income and tax liability - How computed 341. Deduction in respect of income of co-operative societies 342. Problems on computation of income of a co-operative society 343. Meaning of trust 344. Tax exemption 345. Charitable purpose 346. Essential conditions for exemption 347. How to find out exemption u/s 11	333	.]	 Defir	nitions	935
335. Carry forward and set-off of losses in the cases of certain companies 336. Minimum alternate tax 337. Tax on distributed profits of domestic companies 337A. Tax on income distributed to unitholders 337B. Tax on income received from venture capital companies and venture capital funds 337C. Additional income-tax on distributed income by company for buy-back of unlisted shares 338. Problems on computation of taxable income of a corporate-assessee 96 17 Assessment of co-operative societies 39. Meaning of co-operative society 340. Taxable income and tax liability - How computed 341. Deduction in respect of income of co-operative societies 97 18 Assessment of charitable and other trusts 100 343. Meaning of trust 344. Tax exemption 345. Charitable purpose 100 346. Essential conditions for exemption 347. How to find out exemption u/s 11					937
337. Tax on distributed profits of domestic companies 337A. Tax on income distributed to unitholders 337B. Tax on income received from venture capital companies and venture capital funds 337C. Additional income-tax on distributed income by company for buy-back of unlisted shares 338. Problems on computation of taxable income of a corporate-assessee 17 Assessment of co-operative societies 339. Meaning of co-operative society 340. Taxable income and tax liability - How computed 341. Deduction in respect of income of co-operative societies 342. Problems on computation of income of a co-operative society 343. Meaning of trust 343. Meaning of trust 344. Tax exemption 345. Charitable purpose 346. Essential conditions for exemption 347. How to find out exemption u/s 11	335				939
337A. Tax on income distributed to unitholders 337B. Tax on income received from venture capital companies and venture capital funds 337C. Additional income-tax on distributed income by company for buy-back of unlisted shares 338. Problems on computation of taxable income of a corporate-assessee 96 17 Assessment of co-operative societies 39. Meaning of co-operative society 340. Taxable income and tax liability - How computed 341. Deduction in respect of income of co-operative societies 97 342. Problems on computation of income of a co-operative society 98 48 Assessment of charitable and other trusts 100 344. Tax exemption 345. Charitable purpose 166. Essential conditions for exemption 176 347. How to find out exemption u/s 11	336	. 1	Minii	mum alternate tax	941
337B. Tax on income received from venture capital companies and venture capital funds 337C. Additional income-tax on distributed income by company for buy-back of unlisted shares 338. Problems on computation of taxable income of a corporate-assessee 340. Taxable income and tax liability - How computed 341. Deduction in respect of income of co-operative societies 342. Problems on computation of income of a co-operative society 343. Meaning of trust 344. Tax exemption 345. Charitable purpose 346. Essential conditions for exemption 347. How to find out exemption u/s 11					963
venture capital funds 337C. Additional income-tax on distributed income by company for buy-back of unlisted shares 338. Problems on computation of taxable income of a corporate-assessee 96 17 Assessment of co-operative societies 39. Meaning of co-operative society 340. Taxable income and tax liability - How computed 97. Assessment of co-operative societies 98. Problems on computation of income of co-operative societies 98. Assessment of charitable and other trusts 18 Assessment of charitable and other trusts 19. Assessment of charitable and other trusts 10. Assessment of charitable and other trusts					964
337C. Additional income-tax on distributed income by company for buy-back of unlisted shares 338. Problems on computation of taxable income of a corporate-assessee 94 17 Assessment of co-operative societies 339. Meaning of co-operative society 340. Taxable income and tax liability - How computed 341. Deduction in respect of income of co-operative societies 95 342. Problems on computation of income of a co-operative society 95 434. Assessment of charitable and other trusts 106 344. Tax exemption 345. Charitable purpose 346. Essential conditions for exemption 347. How to find out exemption u/s 11	337				0.44
unlisted shares 338. Problems on computation of taxable income of a corporate-assessee 17 Assessment of co-operative societies 339. Meaning of co-operative society 340. Taxable income and tax liability - How computed 341. Deduction in respect of income of co-operative societies 342. Problems on computation of income of a co-operative society 18 Assessment of charitable and other trusts 343. Meaning of trust 344. Tax exemption 345. Charitable purpose 346. Essential conditions for exemption 347. How to find out exemption u/s 11	225				964
338. Problems on computation of taxable income of a corporate-assessee 17 Assessment of co-operative societies 39. Meaning of co-operative society 340. Taxable income and tax liability - How computed 341. Deduction in respect of income of co-operative societies 342. Problems on computation of income of a co-operative society 18 Assessment of charitable and other trusts 343. Meaning of trust 344. Tax exemption 345. Charitable purpose 346. Essential conditions for exemption 347. How to find out exemption u/s 11	337				964
339. Meaning of co-operative society 340. Taxable income and tax liability - How computed 341. Deduction in respect of income of co-operative societies 342. Problems on computation of income of a co-operative society 98 Assessment of charitable and other trusts 100 343. Meaning of trust 100 344. Tax exemption 100 345. Charitable purpose 100 346. Essential conditions for exemption 347. How to find out exemption u/s 11	338				965
339. Meaning of co-operative society 340. Taxable income and tax liability - How computed 341. Deduction in respect of income of co-operative societies 342. Problems on computation of income of a co-operative society 95. 343. Meaning of trust 344. Tax exemption 345. Charitable purpose 346. Essential conditions for exemption 347. How to find out exemption u/s 11			1100	terns on computation of taxable income of a corporate assessee	703
340. Taxable income and tax liability - How computed 341. Deduction in respect of income of co-operative societies 342. Problems on computation of income of a co-operative society 99 18 Assessment of charitable and other trusts 343. Meaning of trust 344. Tax exemption 345. Charitable purpose 346. Essential conditions for exemption 347. How to find out exemption u/s 11		1	7	Assessment of co-operative societies	
340. Taxable income and tax liability - How computed 341. Deduction in respect of income of co-operative societies 342. Problems on computation of income of a co-operative society 99 18 Assessment of charitable and other trusts 343. Meaning of trust 344. Tax exemption 345. Charitable purpose 346. Essential conditions for exemption 347. How to find out exemption u/s 11	220				000
341. Deduction in respect of income of co-operative societies 342. Problems on computation of income of a co-operative society 18 Assessment of charitable and other trusts 343. Meaning of trust 344. Tax exemption 345. Charitable purpose 346. Essential conditions for exemption 347. How to find out exemption u/s 11					989
342. Problems on computation of income of a co-operative society 18 Assessment of charitable and other trusts 343. Meaning of trust 344. Tax exemption 345. Charitable purpose 346. Essential conditions for exemption 347. How to find out exemption u/s 11					989 990
Assessment of charitable and other trusts 343. Meaning of trust 344. Tax exemption 345. Charitable purpose 346. Essential conditions for exemption 347. How to find out exemption u/s 11					990
343. Meaning of trust 100 344. Tax exemption 100 345. Charitable purpose 100 346. Essential conditions for exemption 100 347. How to find out exemption u/s 11 100	342	• '	1100	iems on computation of income of a co-operative society	990
344. Tax exemption100345. Charitable purpose100346. Essential conditions for exemption100347. How to find out exemption u/s 11100					
344. Tax exemption100345. Charitable purpose100346. Essential conditions for exemption100347. How to find out exemption u/s 11100		1	8	Assessment of charitable and other trusts	
345.Charitable purpose100346.Essential conditions for exemption100347.How to find out exemption u/s 11100	2/12				1000
 346. Essential conditions for exemption 347. How to find out exemption u/s 11 100 100<		. 1	Mear	ning of trust	1000
347. How to find out exemption u/s 11	344	.]	Mear Tax e	ning of trust exemption	1000
	344 345	.]	Mear Tax e Char	ning of trust exemption itable purpose	1000 1000
	344 345 346	. 1	Mear Tax e Char Essei	ning of trust exemption itable purpose ntial conditions for exemption	1000 1000 1005
	344 345 346	.]	Mear Tax e Char Esser How	ning of trust exemption itable purpose ntial conditions for exemption to find out exemption u/s 11	1000 1000
	344 345 346 347 348	. 1	Mear Tax e Char Esser How Accu	ning of trust exemption itable purpose ntial conditions for exemption to find out exemption u/s 11 mulation of income	1000 1000 1005 1011
351. Private discretionary trust	344 345 346 347 348 349	. 1	Mear Tax e Char Esser How Accu	ning of trust exemption itable purpose ntial conditions for exemption to find out exemption u/s 11 mulation of income eiture of exemption	1000 1000 1005 1011 1018
352. Income from property held under trust partly for religious	344 345 346 347 348 349 350	. 1	Mear Tax e Char Esser How Accu Forfe Publi	ning of trust exemption itable purpose intial conditions for exemption to find out exemption u/s 11 imulation of income eiture of exemption ic charitable/religious trust - How chargeable to tax	1000 1000 1005 1011 1018 1020
purposes and partly for other purposes 10.	344 345 346 347 348 349 350 351	.]	Mear Tax e Char Esser How Accu Forfe Publi Priva Incor	ning of trust exemption itable purpose ntial conditions for exemption to find out exemption u/s 11 mulation of income eiture of exemption ic charitable/religious trust - How chargeable to tax tte discretionary trust me from property held under trust partly for religious	1000 1000 1005 1011 1018 1020 1030 1033
AND DESCRIPTION OF THE PROPERTY OF THE PROPERT	344 345 346 347 348 349 350 351 352		Mear Tax e Char Esser How Accu Forfe Publi Priva Incor	ning of trust exemption itable purpose ntial conditions for exemption to find out exemption u/s 11 mulation of income eiture of exemption ic charitable/religious trust - How chargeable to tax atte discretionary trust me from property held under trust partly for religious oses and partly for other purposes	1000 1000 1005 1011 1018 1020 1030 1033
	344 345 346 347 348 349 350 351 352	. 1	Mear Tax e Char Esser How Accu Forfe Publi Priva Incor purp Oral	ning of trust exemption itable purpose ntial conditions for exemption to find out exemption u/s 11 mulation of income eiture of exemption ic charitable/religious trust - How chargeable to tax atte discretionary trust me from property held under trust partly for religious oses and partly for other purposes trust	1000 1000 1005 1011 1018 1020 1030 1033 1034 1036
352B. Tax on distributed income by securitization trusts	344 345 346 347 348 349 350 351 352 352	. 1	Mear Tax 6 Char Esser How Accu Forf6 Publi Priva Incor purp Oral Tax 6	ning of trust exemption itable purpose ntial conditions for exemption to find out exemption u/s 11 mulation of income eiture of exemption ic charitable/religious trust - How chargeable to tax atte discretionary trust me from property held under trust partly for religious oses and partly for other purposes trust on distributed income by securitization trusts	1000 1000 1005 1011 1018 1020 1030 1033 1034 1036 1036
352B. Tax on distributed income by securitization trusts103 352C. Special provisions pertaining to business trust103	344 345 346 347 348 349 350 351 352 352 352	. 1	Mear Tax e Char Esser How Accu Forfe Publi Priva Incor purp Oral Tax o	ning of trust exemption itable purpose ntial conditions for exemption to find out exemption u/s 11 mulation of income eiture of exemption ic charitable/religious trust - How chargeable to tax atte discretionary trust me from property held under trust partly for religious oses and partly for other purposes trust on distributed income by securitization trusts ial provisions pertaining to business trust	1000 1000 1005 1011 1018 1020 1030 1033 1034 1036 1036
352B. Tax on distributed income by securitization trusts103 352C. Special provisions pertaining to business trust103	344 345 346 347 348 349 350 351 352 352 352	. 1	Mear Tax e Char Esser How Accu Forfe Publi Priva Incor purp Oral Tax o	ning of trust exemption itable purpose ntial conditions for exemption to find out exemption u/s 11 mulation of income eiture of exemption ic charitable/religious trust - How chargeable to tax atte discretionary trust me from property held under trust partly for religious oses and partly for other purposes trust on distributed income by securitization trusts ial provisions pertaining to business trust	1000 1000 1005 1011 1018 1020 1030 1033 1034 1036 1036
352B. Tax on distributed income by securitization trusts103 352C. Special provisions pertaining to business trust103 352D. Pass through status to Category I and Category II Alternative Investment Funds103	344 345 346 347 348 349 350 351 352 352 352	. 1	Mear Tax e Char Esser How Accu Forfe Publi Priva Incor purp Oral Tax e Spec Pass	ning of trust exemption itable purpose ntial conditions for exemption to find out exemption u/s 11 mulation of income eiture of exemption ic charitable/religious trust - How chargeable to tax ite discretionary trust me from property held under trust partly for religious oses and partly for other purposes trust on distributed income by securitization trusts ial provisions pertaining to business trust through status to Category I and Category II Alternative Investment Funds	1000 1000 1005 1011 1018 1020 1030 1033 1034 1036 1036
 352B. Tax on distributed income by securitization trusts 352C. Special provisions pertaining to business trust 352D. Pass through status to Category I and Category II Alternative Investment Funds 	344 345 346 347 348 349 350 351 352 352 352	. 1	Mear Tax e Char Esser How Accu Forfe Publi Priva Incor purp Oral Tax e Spec Pass	ning of trust exemption itable purpose ntial conditions for exemption to find out exemption u/s 11 mulation of income eiture of exemption ic charitable/religious trust - How chargeable to tax ite discretionary trust me from property held under trust partly for religious oses and partly for other purposes trust on distributed income by securitization trusts ial provisions pertaining to business trust through status to Category I and Category II Alternative Investment Funds	1000 1000 1005 1011 1018 1020 1030 1033 1034 1036 1036
352B. Tax on distributed income by securitization trusts 103 352C. Special provisions pertaining to business trust 103 352D. Pass through status to Category I and Category II Alternative Investment Funds 103 104 105 105 105 106 107 107 107 107 108 108 109 109 109 109 109 109 109 109 109 109	344 345 346 347 348 350 351 352 352 352 352 352 353	. 1	Mear Tax e Char Esser How Accu Forfe Publi Priva Incor purp Oral Tax e Spec Pass	ning of trust exemption itable purpose intial conditions for exemption to find out exemption u/s 11 imulation of income eiture of exemption ic charitable/religious trust - How chargeable to tax itte discretionary trust ime from property held under trust partly for religious ioses and partly for other purposes trust on distributed income by securitization trusts ial provisions pertaining to business trust through status to Category I and Category II Alternative Investment Funds Return of income and assessment	1000 1000 1005 1011 1018 1020 1030 1033 1034 1036 1037 1039
352B. Tax on distributed income by securitization trusts 103 352C. Special provisions pertaining to business trust 103 352D. Pass through status to Category I and Category II Alternative Investment Funds 103 104 105 105 105 105 105 105 105 105 105 105	344 345 346 347 348 350 351 352 352 352 352 352 353 353	. 1	Mear Tax e Char Esser How Accu Forfe Publi Priva Incor purp Oral Tax e Spec Pass	ning of trust exemption itable purpose ntial conditions for exemption to find out exemption u/s 11 mulation of income eiture of exemption ic charitable/religious trust - How chargeable to tax ite discretionary trust me from property held under trust partly for religious oses and partly for other purposes trust on distributed income by securitization trusts ial provisions pertaining to business trust through status to Category I and Category II Alternative Investment Funds Return of income and assessment	1000 1000 1005 1011 1018 1020 1030 1033 1034 1036 1037 1039
	344 345 346 347 348 349 350 351	.]	Mear Tax e Char Esser How Accu Forfe Publi Priva Incor	ning of trust exemption itable purpose ntial conditions for exemption to find out exemption u/s 11 mulation of income eiture of exemption ic charitable/religious trust - How chargeable to tax tte discretionary trust me from property held under trust partly for religious	1000 1000 1005 1011 1018 1020 1030
	344 345 346 347 348 349 350 351	.]	Mear Tax e Char Esser How Accu Forfe Publi Priva Incor	ning of trust exemption itable purpose ntial conditions for exemption to find out exemption u/s 11 mulation of income eiture of exemption ic charitable/religious trust - How chargeable to tax tte discretionary trust me from property held under trust partly for religious	1000 1000 1005 1011 1018 1020 1030 1033
352A. Oral trust	344 345 346 347 348 349 350 351 352		Mear Tax e Char Esser How Accu Forfe Publi Priva Incor	ning of trust exemption itable purpose ntial conditions for exemption to find out exemption u/s 11 mulation of income eiture of exemption ic charitable/religious trust - How chargeable to tax atte discretionary trust me from property held under trust partly for religious oses and partly for other purposes	1000 1000 1005 1011 1018 1020 1030 1033
	344 345 346 347 348 349 350 351 352	. 1	Mear Tax e Char Esser How Accu Forfe Publi Priva Incor purp Oral	ning of trust exemption itable purpose ntial conditions for exemption to find out exemption u/s 11 mulation of income eiture of exemption ic charitable/religious trust - How chargeable to tax atte discretionary trust me from property held under trust partly for religious oses and partly for other purposes trust	1000 1000 1005 1011 1018 1020 1030 1033 1034 1036
352B. Tax on distributed income by securitization trusts103 352C. Special provisions pertaining to business trust103	344 345 346 347 348 349 350 351 352 352 352	. 1	Mear Tax e Char Esser How Accu Forfe Publi Priva Incor purp Oral Tax o	ning of trust exemption itable purpose ntial conditions for exemption to find out exemption u/s 11 mulation of income eiture of exemption ic charitable/religious trust - How chargeable to tax atte discretionary trust me from property held under trust partly for religious oses and partly for other purposes trust on distributed income by securitization trusts ial provisions pertaining to business trust	1000 1000 1005 1011 1018 1020 1030 1033 1034 1036 1036
352B. Tax on distributed income by securitization trusts103 352C. Special provisions pertaining to business trust103	344 345 346 347 348 349 350 351 352 352 352	. 1	Mear Tax e Char Esser How Accu Forfe Publi Priva Incor purp Oral Tax o	ning of trust exemption itable purpose ntial conditions for exemption to find out exemption u/s 11 mulation of income eiture of exemption ic charitable/religious trust - How chargeable to tax atte discretionary trust me from property held under trust partly for religious oses and partly for other purposes trust on distributed income by securitization trusts ial provisions pertaining to business trust	1000 1000 1005 1011 1018 1020 1030 1033 1034 1036 1036
352B. Tax on distributed income by securitization trusts103352C. Special provisions pertaining to business trust103352D. Pass through status to Category I and Category II Alternative Investment Funds103	344 345 346 347 348 349 350 351 352 352 352	. 1	Mear Tax e Char Esser How Accu Forfe Publi Priva Incor purp Oral Tax e Spec Pass	ning of trust exemption itable purpose ntial conditions for exemption to find out exemption u/s 11 mulation of income eiture of exemption ic charitable/religious trust - How chargeable to tax ite discretionary trust me from property held under trust partly for religious oses and partly for other purposes trust on distributed income by securitization trusts ial provisions pertaining to business trust through status to Category I and Category II Alternative Investment Funds	1000 1000 1005 1011 1018 1020 1030 1033 1034 1036 1036
352B. Tax on distributed income by securitization trusts103352C. Special provisions pertaining to business trust103352D. Pass through status to Category I and Category II Alternative Investment Funds103	344 345 346 347 348 349 350 351 352 352 352	. 1	Mear Tax e Char Esser How Accu Forfe Publi Priva Incor purp Oral Tax e Spec Pass	ning of trust exemption itable purpose ntial conditions for exemption to find out exemption u/s 11 mulation of income eiture of exemption ic charitable/religious trust - How chargeable to tax ite discretionary trust me from property held under trust partly for religious oses and partly for other purposes trust on distributed income by securitization trusts ial provisions pertaining to business trust through status to Category I and Category II Alternative Investment Funds	1000 1000 1005 1011 1018 1020 1030 1033 1034 1036 1036
352B. Tax on distributed income by securitization trusts 352C. Special provisions pertaining to business trust 352D. Pass through status to Category I and Category II Alternative Investment Funds 103 104 105 105 106 107 107 108 108 109 109 109 109 109 109 109 109 109 109	344 345 346 347 348 350 351 352 352 352 352	. 1	Mear Tax e Char Esser How Accu Forfe Publi Priva Incor purp Oral Tax e Spec Pass	ning of trust exemption itable purpose intial conditions for exemption to find out exemption u/s 11 imulation of income eiture of exemption ic charitable/religious trust - How chargeable to tax itte discretionary trust ime from property held under trust partly for religious ioses and partly for other purposes trust on distributed income by securitization trusts ial provisions pertaining to business trust through status to Category I and Category II Alternative Investment Funds Return of income and assessment	1000 1000 1005 1011 1018 1020 1030 1033 1034 1036 1036 1037 1039
352B. Tax on distributed income by securitization trusts 352C. Special provisions pertaining to business trust 352D. Pass through status to Category I and Category II Alternative Investment Funds 103 104 19 Return of income and assessment 104 353. Voluntary return	344 345 346 347 348 350 351 352 352 352 352 352	. 1	Mear Tax e Char Esser How Accu Forfe Publi Priva Incor purp Oral Tax e Spec Pass	ning of trust exemption itable purpose intial conditions for exemption to find out exemption u/s 11 imulation of income eiture of exemption ic charitable/religious trust - How chargeable to tax itte discretionary trust ime from property held under trust partly for religious ioses and partly for other purposes trust on distributed income by securitization trusts ial provisions pertaining to business trust through status to Category I and Category II Alternative Investment Funds Return of income and assessment	1000 1000 1005 1011 1018 1020 1030 1033 1034 1036 1037 1039
352B. Tax on distributed income by securitization trusts 103 352C. Special provisions pertaining to business trust 103 352D. Pass through status to Category I and Category II Alternative Investment Funds 103 104 105 105 105 105 105 105 105 105 105 105	344 345 346 347 348 350 351 352 352 352 352 352 353 353	. 1	Mear Tax e Char Esser How Accu Forfe Publi Priva Incor purp Oral Tax e Spec Pass	ning of trust exemption itable purpose ntial conditions for exemption to find out exemption u/s 11 mulation of income eiture of exemption ic charitable/religious trust - How chargeable to tax ite discretionary trust me from property held under trust partly for religious oses and partly for other purposes trust on distributed income by securitization trusts ial provisions pertaining to business trust through status to Category I and Category II Alternative Investment Funds Return of income and assessment	1000 1000 1005 1011 1018 1020 1030 1033 1034 1036 1037 1039

Contents	I-18
----------	------

			PAGE
357.	Und	ated return	1051
358.		ctive or incomplete return	1056
		ified return	1058
359.		eme to facilitate submission of returns through Tax Return Preparers	1059
		er of Board to dispense with furnishing of documents	1059
		g of return in electronic form	1059
360.		rn by whom to be verified	1059
361.		nanent Account Number (PAN)	1060
		ting of Aadhaar number	1066
362.		t is self-assessment	1067
363.		iry before assessment	1069
364.		mary assessment without calling the assessee	1073
365.		ssment in response to notice under section 143(2)	1076
366.		judgment assessment	1088
		rence to dispute resolution panel	1089
367.		me escaping assessment and re-assessments	1091
368.		e of notice for reassessment under section 148	1099
369.		t are the provisions regarding rectification of mistake	1106
370 .		e limit for completion of assessments/reassessments	1111
371.		isions of section 155	1117
372.		lems on return of income and assessment	1119
372A.	Oblig	gation to furnish annual information return pertaining to financial	
0.1		sactions	1122
372B.	Subi	mission of statement by a non-resident having liaison office in India	1125
		ishing of information or document by an Indian concern	1125
		orting by producers of cinematograph films or persons engaged in specified	1125
	20	Penalties and prosecutions	
	20	Penames and prosecutions	
373.	Pena	lties for defaults in brief	1126
374.	Pena	lty for concealment/under-reporting of Income	1137
375.	Who	can levy penalty	1157
376 .	Pow	er of Commissioner to reduce or waive penalty	1157
377 .	Proc	edure for imposition of penalty	1162
37 8.	Time	e-limit for completion of penalty proceedings	1162
379.	Offe	nces and prosecutions	1165
380.	Onu	s of proof	1169
	21	Advance payment of tax	
381.	Inco	me liable for advance tax	1171
382.		ance tax liability - Under different situations	1172
383.		rest payable by the assessee or Government	1172
384.		lems illustrating advance tax provisions	1173
		iems mastrating advance tax provisions	1113
2	22	Interest	
385.	Inter	rest payable by the assessee	1175
386.	Inter	rest payable to assessee	1191
000.	HILL	cot payable to assessee	11/1

I-19 Contents

			PAGE
387.	Proc	edure to be followed in calculation of interest	1195
388.		ver or reduction of interest under sections 234A, 234B and 234C	1195
389.		f Commissioner/Director General (Investigation) to reduce	
		l interest in certain cases	1196
390.		er of CBDT and Settlement Commission to reduce/waive interest	1196
391.		petition	1197
392.	Prob	lems illustrating computation of interest	1197
	23	Tax deduction or collection at source	
	10	Tax deduction of concetion at source	
404.		eme of tax deduction at source	1204
405 .		action of tax from salaries	1207
		deduction at source from withdrawal from employees provident fund scheme	1213
406.		action of tax at source from interest on securities	1216
407.		action of tax at source from dividends	1217
408.		action of tax at source from interest other than interest on securities	1218
409.		action of tax at source from winnings from lotteries or	1222
400 A		sword puzzles action of tax at source from winnings from online games [Sec. 194BA]	1223
410.		action of tax at source from winnings from horse races	1223
411.		action of tax at source from payments to contractors or sub-contractors	1223
412.		action of tax at source from insurance commission	1229
		deduction from payment of life insurance policy	1230
413.		nent to non-resident sportsman or sports association	1231
414.	Dedu	action of tax from payments in respect of National Savings Scheme	1232
415.		action of tax at source on payments on account of repurchase	
		nits by Mutual Funds or UTI	1232
416.		action of tax from commission, etc., on sale of lottery tickets	1232
417.		action of tax at source from commission or brokerage	1233
418.		action of tax at source from income by way of rent	1235
		deduction at source on purchase of immovable property deduction from payment of rent by certain individuals/HUFs	1240 1240
		deduction from payment of rent by certain individuals/ HOPs deduction from payment under joint development agreement	1240
419.		deduction at source on fees for professional or technical	1241
417.		ces, royalty or directors fees	1242
419A.		deduction at source in respect of income from units	1246
420 .		deduction from payment of compensation in certain cases	1246
		action of tax at source from interest payable on infrastructure debt fund	1247
420AA	. Tax	deduction from income from units of business trust	1247
		deduction from income in respect of units of investment fund	1248
		ax deduction from income in respect of investment in Securitization fund	1248
420B.		deduction by an Indian specified company or business trust from interest	1249
420C		non-resident/foreign company deduction at source on interest on bonds/Government securities	1249
		on certain payments by individual/HUF	1250
		on payment of certain amounts in cash	1251
		on payment by e-commerce operator to e-commerce participants	1253
		action of tax in case of specified Senior Citizen	1254
		action of tax at source on payment for purchase of goods	1255
		action of tax on benefit/perquisite pertaining to business/profession	1258
		action of tax from payment on transfer of virtual digital asset	1261
421.		action of tax at source from other sums	1262
422.		deduction from any income payable to non-resident unit-holders of	
	Mutu	ıal Fund	1268

		Contents	I-20
123 124	. Dedi	action of tax at source in respect of units referred to in section 115AB action of tax from income or long-term capital gain from	PAGE 1268
125 126 127 128 129	forei Dedu secu Payr Proc	gn currency bonds/Global Depository Receipts action of tax from income of Foreign Institutional Investors from rities nent without tax deduction or with deduction at lower rate essing of statements of tax deducted at source r points for consideration collection at source	1268 1269 1269 1273 1273 1282
	24	Refund of excess payments	
430 431 432 433	. Who	t to claim refund - When arises can claim refund to claim refund r points	1293 1293 1293 1294
	25	Appeals and revisions	
134 135 136 137 138 139 140 141 142 143	. Appe . Appe . Appe . Revi . Appe . Appe . Appe . Prov . Proc pend	cal to Joint Commissioner (Appeals) cal to the Commissioner (Appeals) cal to the Commissioner of Incometax cal to the Appellate Tribunal cal to High Court cal to the Supreme Court dision for avoiding repetitive appeals edure for appeal by revenue when an identical question of law is cal to the High Court/Supreme Court dequence of non-filing of appeal in respect of cases where the tax cat is less than the prescribed monetary limit	1296 1296 1297 1298 1311 1319 1331 1337 1338
	26	Income-tax authorities	
∟ 145 146		authorities ral Board of Direct Taxes	1342 1342
	27	Settlement Commission and Dispute Resolution Committee	
457 458 459	. Disc	ement Commission ontinuation of Income-tax Settlement Commission ute Resolution Committee	1345 1345 1349
	28	Special measures in respect of transactions with persons located in rejurisdictional area	otified

1352

471. Special measures in respect of certain transactions

I-21 Contents

			PAGE
472.	Notif	ried jurisdictional area	1352
473.		icability of transfer pricing provisions	1352
474.		lowance of payment to financial institutions located in notified	4050
475	3	dictional area	1353
475. 476.		lowance of other expenditure unt received to be treated as income in some cases	1353 1353
477.		at higher rate	1353
478.		isions illustrated	1353
	1101		
2	29	General Anti-avoidance Rule	
480.	Appl	icability of general anti-avoidance rule	1356
481.		ermissible avoidance arrangement	1356
482.	_	edure for invoking GAAR	1358
483.	Clari	fications given by Board	1358
3	30	Advance ruling	
485.	Cons	titution of the Board for Advance Ruling	1360
486.	Adva	nce ruling	1362
487.	Proc	edure for filing application	1363
488.	Proc	edure on receipt of application	1365
489.	Appl	icability of advance ruling	1367
490.	Adva	nce ruling to be void in certain circumstances	1368
491.	Powe	ers of authority	1368
491A.	Auth	ority for advance rulings	1368
3	31	Search, seizure and assessment	
492.	Powe	ers regarding discovery, production of evidence, etc.	1370
493.	Sear	ch and seizure	1371
494.	_	usitioning of books of account, etc.	1379
495.		ication of assets seized or requisitioned	1380
496.		er to call for information	1381
497.		er of survey	1382
498.		er to collect certain information er to call for information by prescribed income-tax authority	1385 1385
499.		me of assessment in case of search or requisition	1386
500.		approval in the case of search	1393
3	32	Transfer pricing	
506 .	Taxa	tion of international transaction	1394
507 .	Com	putation of the arm's length price	1398
508 .		s length price - Computation of	1399

Contents	I-22
----------	------

		PAGE		
509.	Computation of arm's length price in cases where more than one price is	4.407		
	determined under most appropriate method	1406		
510.	Reference to transfer pricing officer	1416		
510A.	Power of Board to make Safe Harbour Rules	1419		
511.	Maintenance of books of account and furnishing of report in respect of			
	international group	1422		
512.	Report from accountant	1427		
513.	Specified domestic transactions	1427		
514.	Advance Pricing Agreement (APA)	1428		
514A.	Secondary adjustment in certain international transactions	1430		
514B.	Provisions pertaining to thin capitalisation	1434		
514C.	Important judicial rulings	1437		
3	Business restructuring			
`	, o			
515.	Restructuring business	1438		
516.	Amalgamation	1438		
517 .	Demerger	1447		
518.	Conversion of sole proprietary business into company	1457		
519.	Conversion of firm into company	1458		
520 .	Slump sale	1460		
521.	Transfer of assets between holding and subsidiary companies	1466		
522.	Amalgamation or demerger of co-operative banks			
523.	Conversion of private company/unlisted public company into Limited Liability			
_	Partnership (LLP)	1473		
	Alternative tax regime			
531.	Alternative tax regime available under different sections	1478		
532.	Manufacturing domestic companies under section 115BA	1481		
533.	Tax on income of certain domestic companies	1482		
534.	Conditions and restrictions	1482		
535.	Tax rate	1483		
536.	Option	1483		
537.	MAT not applicable	1483		
538.	Case studies	1483		
539.	New manufacturing domestic companies	1484		
540.	Conditions	1484		
541.	Mode of computation of income	1485		
542.	Computation of tax liability under section 115BAB	1486		
543.	Option	1486		
544.	MAT not applicable	1487		
545.	Case study	1487		
546.	Income of individuals, HUF, AOP, BOI and artificial juridical person	1488		
547.	Rate of income-tax under the alternative tax regime	1488		

I-23 Contents

		PAGE
548.	Conditions and restrictions	1489
549.	Option	1491
550 .	Case studies	1493
551.	Tax on certain resident co-operative societies	1496
552.	Conditions and restrictions under section 115BAD	1496
553.	Tax rate	1497
554.	Option	1497
555.	New manufacturing co-operative society	1497
556.	Conditions	1497
557.	Mode of computation of income	1498
558.	Computation of tax liability under section 115BAE	1498
559.	Option	1499
	35 Tax planning	
===	Tour along in a	1500
565. 566.	Tax planning Tax planning with reference to setting up of a new business	1500 1502
567.	Tax planning with reference to setting up of a new business Tax planning with reference to financial management decisions	1502
568.	Tax planning with reference to financial management decisions Tax planning with reference to specific managerial decisions	1504
569.	Tax planning with reference to specific managerial decisions Tax planning in respect of employees' remuneration	1509
570.	Tax planning in respect of employees remuneration Tax planning in respect of non-residents	1509
570. 571.		1311
5/1.	Tax planning in respect of amalgamation or demerger of companies or business restructuring	1516
$-\Gamma$		
	36 Miscellaneous	
572.	Introduction of Tonnage Tax	1517
573.	Securities Transaction Tax	1520
574.	Tax clearance certificate	1522
575.	Equalisation levy	1524
577 .	Provisions pertaining to successor entity subsequent to business reorganization	1528
578.	Commodities transaction tax	1529
580 .	Facility for electronic communication	1530
581.	Introduction of Document Identification Number	1530
582.	Power to withdraw approvals	1530
583.	Restriction on cash transactions	1530
	ANNEXURES	
1.	Tax rates	1534
1. 2.	Rates of depreciation	1560
	•	1300
3.	The Eleventh Schedule, Thirteenth Schedule, Fourteenth Schedule/ Investment ceiling in the case of small scale industrial undertaking	1567
4.	Notified backward districts	1574
5.		1314
5.	Questions set for CA(Final) Examinations and Answers from November 2012 to November 2022	1576