

## Incomes Which Do Not Form Part Of Total Income

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Incomes Which Do Not Form Part Of Total Income Are Exempt Income. • Thus Income, To The Extent They Are Exempt, Are Not Included In The Total Income For Computation Of His Total Income.

As Per Section 10 To 13a, Certain Incomes Are Totally Exempt From Tax Or Exempt Upto A Certain Amount. Section 10 (Income Not To Be Included In The Total Income Of Any Assessee.) Section 10aa (Established Units In Special Economic Zones) Section 11-13 ( Income Of Trust/ Institution ) Section 13a (Income Of Political Parties) Section 13b (Income Of A Electoral Trust) Incomes Not To Be Included In Total Income Of Any Person Section 10(1) Agriculture Income Section 10(2) Sum Received By A Member From Huf Section 10(2a) Profit Of A Partner From A Firm Section 10(4) Interest On Non-Resident Account Section 10(5) Travel Concession From A Employer (A) Incomes Not To Be Included In Total Income Of Any Person Section 10(6) Remuneration To A Non Citizen Section 10(7) Allowances/ Perquisites Outside India Section 10(10) Gratuity (Death Cum Retirement) Section 10(10a) Pension Section 10(10aa) Leave Encashment Section 10(6) Remuneration To A Non Citizen Means Individual Who Is Not A Citizen Of India. Remuneration Received By: 1. Diplomats, Foreign National As An Official. Whatever Names Called As An Embassy, High Commission, Legation, Trade Representative Of A Foreign State Or As A Staff Of These Members. 2. Foreign National As Employee Of A Foreign Enterprise. Services Rendered During His Stay In India. 3. Non-Resident Employed On Foreign Ship. Provided His Stay In India Should Not Exceed 90 Days In The Previous Year. 4. Employee Of Foreign Government During His Training In India. (A) Incomes Not To Be Included In Total Income Of Any Person Section 10(10b) Retrenchment Compensation Section 10(10c) Amount Voluntary Retirement Section 10(10cc) Non Monetary Poerquisites Section 10(10d) Amount On Maturity Of Lic Section 10(11) Provident Fund Section 10(10d) Amount On Maturity Of Lic Lic Amount On Maturity + Bonus On Such Policy Excludes: Not An Exempt • Policy U/S 80dd(3) Or 80dda(3) • Keyman Insurance Policy • An Insurance Policy Issued On Or After 01.04.2003 But Before 31.03.2012, If Premium Exceeds 20% Of The Actual Capital Sum Assured. But If Received After Death Of A Person Is Fully Exempt. • An Insurance Policy Issued On Or After

01.04.2012 If Premium Exceeds 10% Of Sum Assured. • An Insurance Policy On Or After 01.04.2013 On The Life Of Any Person Who Is I) Disable As Per Section 80u Ii) Suffering From Disease As Per Section 80ddb If Premium Payable Exceeds 15% Of The Actual Capital Sum Assured.

Incomes Not To Be Included In Total Income Of Any Person Section 10(12) Payment From Rpf Section 10(13) Any Payment From An Approved Saf Section 10(13a) Hra Section 10(14) Special Allowances Section 10(15) Interest, Premium & Bonus On Specified Investments

Section 10(15) Interest, Premium & Bonus On Specified Investments • Interest 1. Interest Of Any Assesee On Deposits, Securities, Certificates And Bonds Issued By Cg. Subject To Limits & Conditions. 2. On Gold Deposits 3. Bonds Issued By A Local Authority 4. Deposits With Offshore Banking Unit. Premium Or Bonus Or Other Payment On • Securities • Bonds • Annuity Certificates • Saving Certificates Or • Other Certificates Issued By Cg • Subject To Conditions And Limits.

Incomes Not To Be Included In Total Income Of Any Person Section 10(16) Scholarship For Education Section 10(17) Daily Allowances To MPs & MLAs Section 10(17a) Award & Reward Section 10(18) Pension To Awardess Or Their Members Section 10(20) Income Of Local Authority

Incomes Not To Be Included In Total Income Of Any Person Section 10(21) Income From Approved Research Association Section 10(22b) Income Of Specified News Agency Section 10(23a) Income Of Professionals/ Institution Section 10(23bbh) Income Of Prasar Bharti Section 10(23c) Income Of Certain Funds Of National Importance

Section 10(23c) Income Of Certain Funds Of National Importance 1.The Prime Minister's National Relief Fund 2.The Prime Minister's Fund For Promotion Of Folk Art 3.The Prime Minister's Aid To Students Fund 4.The National Foundation For Communal Harmony 5.University Or Educational Institution Solely For Educational Purpose.

Section 10(23c) Income Of Certain Funds Of National Importance 6. Any Hospital Or Other Institution For Reception And Treatment Of Persons • Suffering From Illness • Mental Defectiveness • During Convalescence • Requiring Medical Attention Or Rehabilitation Existing Solely For Philanthropic

For Above Two Points Only Exemption Shall Be Given To Following Type Of Universities Or Institution Or Hospitals A) Financed By The Government (Wholly Or Substantially) B) Aggregate Annual Receipts Do Not Exceed Rs.1 Crore C) Other Than Institution Mention (A) & (B) , Institution Approved By Prescribed Authority. I.E. Principal Chief Commissioner Or Chief Commissioner Or Principal Director General Or Director General . Application On Or Before 30th September Of The Relevant Assessment Year. Section 10(23c) Income Of Certain Funds Of National Importance

Incomes Not To Be Included In Total Income Of Any Person Section 10(23d) Income Of Mutual Funds Section 10(23fc) Income Of Business Trust Section 10(23fd) Income By Unit Holder From The Business Trust Section 10(32) Income Of Minor Clubbed In The Hands Of A Parent Section 10(34) Dividend

Incomes Not To Be Included In Total Income Of Any Person Section 10(34a) Income To Shareholder On Account Of Buy Back Section 10(35) Income From Units Of Uti Section 10(35a) Income From Securitization Trust Section 10(37) Capital Gain On Compulsory Acquisition Of Agriculture Land Section 10(38) Capital Gains From Sale Of Shares And Units

1. 20. (A) Incomes Not To Be Included In Total Income Of Any Person Section 10(39) Income From International Sporting Event Held In India Section 10(43) Amount Of Loan Under Reverse Mortgage Scheme Section 10(44) Income Of New Pension Scheme Trust Section 10(45) Allowances/Perquisite To Chairman & Member Or Retired Chairman / Member Of U.P.S.C. Section 10(46) Income To Notified Body/Authority/ Board/Trust/ Commission

Incomes Not To Be Included In Total Income Of Any Person Section 10(47) Income Of Infrastructure Debt Fund Section 10(48) Income Received By Certain Foreign Companies

## Special Provisions In Respect Of Newly Established Units In Special Economic Zones Section 10aa

Section 10aa Eligible Assessee: Every Assessee Beign Entrepreneurs • Entrepreneurs May Be A Person. • Who Derived Profits Or Gains • From An Undertaking • Beign A Unit • Engaged In The Export • Export Of Articles Or Things Or Services

Essential Conditions To Claim Deduction 1. Begins During The Previous Year 2005-06 Or Thereafter In Any Sez. 2. New Establishment. I.E. No Splitting Up Or Reconstruction Of Already Business In Existence. 3. New Plant & Machinery. I.E. P&M Should Not Be Used Before In Any Business. Two Exceptions Are There: 1) A) It May Be Used Outside India By Any Person Other Than Assessee And P&M Is Imported From Foreign Country By Assessee For New Business . B) No Deduction On Depreciation In Respect Of Previously Allowed Depreciation To Any Person. 2) Total Value Of Second Hand P&M Should Not Exceed 20% Of The Value Of P&M Used In Such Export Business.

Assessee Should Get His Account Audited And Signed By Ca. And Such Report & Prescribed Form Should Furnish To Relevant Department Alongwith The Return Of Income. 5. Assessee Can Claim Deduction In One Section Only. I.E. If He Is Claiming Deduction U/S 10aa Then He Shall Not Be Eligible For Deduction U/S 35ad For Any Capital Expenditure.

Period For Which Deduction Is Available For A Total Period Of 15 Relevant Assessment Years • For First 5 Consecutive A.Y 100% Of P&G • For Next 5 Consecutive A.Y 50% Of P&G • For Next 5 Consecutive A.Y Not More Than 50% Pf P&B Dr. To P&L A/C In P.Y. In Respect Of Which Deduction Is Allowed And Cr. To Sez Reinvestment Reserve Account To Be Created And Utilizes For The Puroose Of The Business Of The Assessee In The Manner Laid Down

Consequences Of Mis-Utilisation Or Non-Utilisation Of Reserve (For Last 5 Year) Where Any Amount Credited To Sez Re-Investment Reserve Account • Has Not Been Used For The Purchase Of New Plant & Machinery, Then Such Utilized Amount Shall Be Trated As Income In The Year Of Utilization & Shall Be Charge To

Tax. • Shoiulb Be Used Before The Expiry Of 3 Years . If Not Used Then Shall Be Treated As Income & Shall Be Charge To Tax.

Computation Of Deduction For Such Undertakings Profits From The Business Of The Undertaking Being The Unit Et Of The Undertaking Of Such Article/Things Or Services Total Turnover Of Business Carried On By The Undertaking Et Is Export Turnover : In Respect Of Export By Such Undertaking, Being The Unit If Articles Or Things Or Services Received In Or Brought Into.

#### Income From Property Held Under Charitable Or Religious Purposes Section 11 To 13

Income Of Political Parties Section 13a Income Of Political Parties Following Incomes Are Exempt: 1.Income From House Property 2.Income From Other Sources 3.Voluntary Contribution From Any Person 4.Capital Gains Subject To Conditions: 1. Proper Maintenance Of Books Of Account And Other Documents As Will Enable The Ao To Properly Deduce Its Income Therefrom. 2. Voluntary Contribution If Exceeds Rs.20,000, It Maintains & Keeps Records Of Same With Name & Address Of Person. 3. Accounts Audited By Ca. 4. Submit Report U/S 29c(3) Of The Representation Of The People Act, 1951 For The Relevant Financial Year. Income Of Electoral Trust Section 13b

#### Refer To Case Laws

1. Godrej & Boyce Mfg.Co.Ltd. Mumbai Vs Dy. Commissioner Of Income Tax On 12 August, 2010
2. Harish Krishnakant Bhatt Vs The Ito On 4 August, 2004
3. Cit Vs Tei Technologies Pvt. Ltd On 27 August, 2012
4. Sesa Goa Ltd., Panaji Vs Department Of Income Tax On 19 February, 2013