

## Paper 2.7

# TAXATION AND BANKING LAWS

**Max. Marks: 100**  
**36**

**Min. Marks:**

Note :

- a. In order to ensure that students do not leave out important portions of the syllabus, examiners shall be free to repeat the questions set in the previous examination.
- b. Leading cases prescribed under this paper may be read whenever they are relevant.

### **1 Indian Income Tax Act. 1961 :**

- a) Definitions - Assessment Year, Previous year, Agriculture, Income Assessment, Capital Asset, Dividend, Income, Casual Income, Total Income, Gross Total Income, Maximum and Minimum Marginal Rate, Person, Resident – Non Resident, Transfer.
- b) Basis of Charge - Charges of Income-Tax, Scope of total income, Residence in India, Income deemed to be received, Dividend Income deemed to accrue or arise in India.
- c) Income which do not form part of total income.
- d) Computation of total income - Head of income - Salaries, Interest on Securities Income from House Property, Profit & Gains of Business or Profession, Capital Gains, Income from other sources.
- e) Income of other persons included in assessee's total income.
- f) Deductions to be made in computing total income.
- g) Relief in respect of Income- tax.
- h) Determination of tax in certain specific cases.
- i) Income tax authorities - Appointment and Control, Jurisdiction, Powers Procedure for Assessment, Liability in special cases, Collection and recovery tax, Appeals, Revision and Reference.

### **2. Central Sales Tax Act, 1956 :**

- a) Sale or Purchase of Goods in the course of Interstate Trade or Outside a State or in the course of import or export.
- b) Liability to tax on inter-state sales, burden of proof.
- c) Registration of dealers.
- d) Determination of turnover, levy & collection of tax.
- e) Penalty and offences.
- f) Restrictions and conditions in regard to tax on sale or purchase of declared goods within a state.

**3 Value Added Tax, 2003 :** Rajasthan Value Added Tax Act 2003 : Important Terms and Definitions, Incidence to Tax, Exempted Sales, Points of tax,

Registration of deals, Filling of returns and assessment, maintenance of books of Accounts Rules of Tax Credit, charging of the interest, penalties, composition scheme and prosecutions, Appeals and Revisions.

#### **4 Banking Law**

- a) **The Banking Companies Act. 1949**, Extent and application, business of banking companies, control and management by reserve bank, suspension of business and winding up of banking companies, special provisions for speedy disposal of winding up of proceedings.
- b) **The Banking Regulation Act. 1948**, extent and application business of Banking companies, provisions for winding up.
- c) **Reserve Bank of India Act. 1934**, characteristics, and functions, objectives legal status and organizational structure, functions such as; banking, currency, banker to government, exchange control over non banking companies and supervision of other banks (see sections 17, 18 and 42)
- d) **State Bank of India Act, 1955** : Definitions, In corporation and Share Capital of State Bank, Shares, Management, Business and Miscellaneous, Management of India (subsidiary Banks Act, 1959 – Definitions, Constitution of New Banks and Charge of name of any Subsidiary Bank, Compensation, Shares, Management, Business Inspection)

#### **5. Negotiable Instruments Act, 1881 (Chapter II, III, IV, VI, IX, XII, XIII)**

##### **LEADING CASES :**

1. Janab A. Sayed Jalal Saheb v. C.I.T. (1960) 391 I.T.R.
2. P. Krishna menon v. C.I.T. (1959) 35, I.T.R. 48 (SC)
3. Tata Sons Ltd. v. C.I.T. Bombay City (1950) 18 I.T.R. 460.
4. Bacha F. Gadar v. C.I.T. Bombay A.I.R. 1955, SC.
5. The Commissioners of Income-tax Madras v. Bhagya Lakshmi & Co., A.I.R. 1955, SC 1708.
6. Bhawanipore Banking Corpn. Ltd. v. Gauri Shanker Sharma, AIR (1950), SC 6.
7. The Bharat Bank Ltd., Delhi v. The Employees of Bharat Bank Ltd. And the Bharat Bank Employee's Union, AIR 1950, SC 188.
8. V. Ramaswami, Aiyanger & Other v. T.N.V. Kailasa Thevar, AIR 1950, SC 189.

##### **SUGGESTED READINGS :**

1. Gupta, R.R. : Income-tax and Practice.
2. Kanga & Palkiwala : The Law and Practice of Income-tax
3. Agrwal, S.E. : Law and Practice relating to Central

## Sales

4. A.K. Saxena : Tax Act, 1956.  
Income Tax Act (English & Hindi).
5. Singh, S.D. : Law of Central Sales Tax.

