

Computation Of Total Income

Question : 1 Mr. Lalit, a dealer in shares and securities, has entered into following transactions during the previous year 2023-24:

- (i) Received a motor car of ₹ 5,00,000 as gift from his friend Sunil on the occasion of his marriage anniversary.
- (ii) Cash gift of ₹ 21,000 each from his four friends.
- (iii) Land at Jaipur on 1st July, 2023 as a gift from his friend Kabra, the stamp duty value of the land is ₹ 6 lakhs as on the date. The land was acquired by Mr. Kabra in the previous year 2001-02 for ₹ 2 lakhs.

Mr. Lalit purchased from his friend Mr. Abhishek, who is also a dealer in shares, 1000 shares of ABC Ltd. @₹400 each on 19th June, 2023 the fair market value of which was ₹600 each on that date. Mr. Lalit sold these shares in the course of his business on 23rd June, 2023.

Further, on 1st November, 2023, Mr. Lalit took possession of his residential house booked by him two years back at ₹ 20 lakh. The stamp duty value of the property as on 1st November, 2023 was ₹ 32 lakh and on the date of booking was ₹ 24 lakh. He had paid ₹ 1 lakh by account payee cheque as down payment on the date of booking.

He received a shop (building) of the fair market value ₹ 1,50,000 and cash ₹ 50,000 in distribution from the ABC (P) Ltd at the time of liquidation process of the company in proportion of his share capital. The balance in general reserve of the company attributable to his share capital is ₹ 1,25,000.

On 1st March, 2024, he sold the plot of land at Jaipur for ₹ 8 lakh.

The value of the cost inflation index is 100 and 317 for the previous year 2001-02 and 2021-22 respectively.

Compute the income of Mr. Lalit chargeable under the head "Income from other sources" and "Capital Gains" for A.Y. 2024-25. (PYP MAY 2022)

Solution : 1 Computation of "Income from Other Sources" of Mr. Lalit for the A.Y. 2024-25

Particulars		₹
(i)	Motor car is not included in the definition of "property" for the purpose of section 56(2)(x), hence, value of the same is not taxable, even though it is received without any consideration.	-
(ii)	Cash gift is taxable under section 56(2)(x) [since the aggregate of ₹ 84,000 (₹ 21,000 x 4) exceeds ₹ 50,000]	84,000
(iii)	Stamp value of plot of land at Jaipur, received without consideration, is taxable under section 56(2)(x), since the same exceeds ₹ 50,000	6,00,000

(iv)	Difference of ₹ 2 lakh [1000 shares x ₹ 200] in the value of shares of ABC Ltd. purchased from Mr. Abhishek, a dealer in shares, is not taxable as it represents the stock-in-trade of Mr. Lalit (since he is a dealer in shares) and not capital asset. ¹	-
(v)	Difference between the stamp duty value of ₹ 24 lakh on the date of booking (since advance was paid by account payee cheque on that date) and the actual consideration of ₹ 20 lakh paid is taxable under section 56(2)(x) since the difference exceeds ₹ 2,00,000, being the higher of ₹ 50,000 and 10% of consideration	4,00,000
(vi)	Distribution of assets by ABC (P) Ltd. on liquidation attributable to the accumulated profits (general reserve) of the company is taxable as dividend under section 2(22)(c).	1,25,000
Income taxable under the head "Income from other sources"		12,09,000

Computation of "Capital Gains" of Mr. Lalit for the A.Y.2024-25

Particulars	₹
Capital gains on sale of land at Jaipur	
Sale Consideration	8,00,000
Less: Cost of acquisition [deemed to be the stamp value charged to tax under section 56(2)(x)]	6,00,000
Short-term capital gains (since held for a period of not more than 24 months. Period of holding of previous owner, Mr. Kabra, not to be considered)	2,00,000
Capital gains on distribution of assets on liquidation of ABC (P) Ltd.	
Full value of consideration for capital gains on distribution of assets on liquidation of ABC (P) Ltd.	
FMV of assets distributed	1,50,000
Cash	50,000
	2,00,000
Less: Deemed dividend under section 2(22)(c)	1,25,000
Full value of consideration for computing capital gains	75,000

Note -

- As cost of acquisition of shares in ABC(P) Ltd. is not given in the question, capital gains on distribution of assets on liquidation of ABC(P) Ltd. in the hands of Mr. Lalit has not been computed.
- As per section 56(1)(i), dividend income is chargeable under the head "Income from Other Sources". Hence, deemed dividend u/s 2(22)(c) would be taxable under the head "Income from Other Sources" in the hands of Mr. Lalit, who is

a dealer in shares.

Question : 2 From the following particulars furnished by Mr. Suresh, aged 53 years, a resident Indian for the previous year ended March 31, 2024, you are requested to compute his total income and tax payable for the Assessment Year 2024-25. (Assuming he does not opt for the Section 115BAC):

- (i) He sold his vacant land on 09.12.2023 for ₹ 15 lakhs. The Stamp Duty Value (SDV) of land at the time of transfer was ₹ 20.55 lakhs. The fair market value of the land as on 1st April, 2001 was ₹ 6 lakhs (SDV is ₹ 5,00,000). This land was acquired by him on 05.08.1996 for ₹ 3.40 lakhs. He had incurred registration expenses of ₹ 15,000 at that time. The cost of inflation index for the year 2021-22 and 2001-02 are 317 and 100, respectively.
- (ii) He owns an industrial undertaking established in a Special Economic Zone (SEZ) and which had commenced operation during the financial year 2021-22. Total turnover of the undertaking was ₹ 300 lakhs, which includes ₹ 120 lakhs from export turnover. This industrial undertaking fulfils all the conditions of Section 10AA of the Income-tax Act, 1961. Profit from this industrial undertaking is ₹ 30 lakhs.
- (iii) He has income of ₹ 10,000 from crossword puzzles and ₹ 15,000 gross interest from bank fixed deposit.
- (iv) Tuition fees of ₹ 36,000 for his three children to a school. The fees being ₹ 12,000 p.a. per child. (PYP MAY 2022)

Solution : 2 Computation of Total Income and Tax Payable by Mr. Suresh for A.Y. 2024 -25

Particulars	Amount (₹)	Amount (₹)
Profits and gains from business or profession		
Profit from SEZ undertaking		30,00,000
Capital Gains		
Long term capital gain on sale of vacant land [since land held for a period of more than 24 months, it is long-term capital asset]		
As per section 50C, Full value of consideration would be stamp duty value since it exceeds 110% of actual sale consideration	20,55,000	
Less: Indexed cost of acquisition [₹ 5,00,000 x 348/100]	17,40,000	
Cost of acquisition, being higher of		3,15,000
- Actual cost (₹ 3,40,000 + ₹ 15,000)	₹ 3,55,000	
- lower of FMV of ₹ 6,00,000 and stamp duty value of ₹ 5,00,000 as on 1.4.2001	5,00,000	
Income from other sources		
Income from crossword puzzles	10,000	
Interest on fixed deposit	15,000	

	25,000
Gross Total Income	33,40,000
Less: Deductions under Chapter VI-A	
Under section 80C – Tuition fees of two children	24,000
Less: Deduction under section 10AA	12,00,000
(` 30,00,000 x 120 lakhs/300 lakhs) x 100 %, being 3rd year of operation	
Total Income	21,16,000
Computation of Tax payable on total income under the regular provisions of the Income-tax Act, 1961	
Tax on LTCG @ 20% of ` 3,15,000	63,000
Tax on income from crossword puzzles @30% of ` 10,000	3,000
Tax on remaining amount of ` 17,91,000 [` 2,37,300 (30% of ` 7,91,000) + ` 1,12,500]	3,49,800
	4,15,800
Add: Health and education cess @4%	16,632
Tax Payable under the regular provisions of the Act	4,32,432
Tax Payable under the regular provisions of the Act (rounded off)	4,32,430

Computation of Adjusted Total Income and Alternate Minimum Tax (AMT) payable

Particulars	Amount (`)
Total Income computed under the regular provisions of the Act	21,16,000
Add: Deduction u/s 10AA	12,00,000
Adjusted Total Income	33,16,000
Since Adjusted Total Income exceeds ` 20 lakhs, the provisions of Alternate Minimum Tax (AMT) are attracted in this case	
Alternate Minimum Tax@18.5%	6,13,460
Add: Health and Education cess@4%	24,538
AMT	6,37,998
AMT (rounded off)	6,38,000
Since the regular income-tax payable is less than the AMT payable, the adjusted total income of ` 33,16,000 shall be deemed as the total income and tax is leviable@18.5% thereof plus cess@4%. Therefore, his tax liability would be ` 6,38,000.	
However, he would be entitled to AMT credit of ` 2,05,570 (` 6,38,000 – ` 4,32,430)	

Question :3 Mr. Mukesh born on 14.1964 furnished his original return for Assessment Year 2024-25 on 30.07.2024. He has shown salary income of ` 7.30 lakhs (computed) and interest from his savings bank of ` 12,700 and from his fixed deposits of ` 43,000. He also claimed deduction under section 80C of ` 1.50 lakhs. He had claimed deduction u/s 80D of ` 25,000. He also claimed deduction u/s 80TTA of ` 10,000. His employer had deducted TDS of ` 33,950 from his salary, which he adjusted fully against tax payable.

He paid health insurance premium of ₹ 38,000 by account payee cheque for self and wife. He paid ₹ 1,500 in cash for his health check-up and ₹ 4,000 by cheque for preventive health check-up of his parents. He also paid medical insurance premium of ₹ 33,000 during the year to insure the health of his mother, aged 80 years, staying with his younger brother. He further incurred medical expenditure of ₹ 25,000 on his father, aged 81 years, who is staying with him. His father is not covered under any mediclaim policy.

He seeks your advice about possibility of revising his return and if possible file his revised return. Analyse the above narrated facts as per applicable provisions of the Income-tax Act, 1961. Does he need to revise his return and for what reasons? Please advise him suitably and if needed, re-compute his income and tax payable or refund due for the Assessment Year 2024-25. (PYP NOV 20)

Solution : 3 Computation of total income of Mr. Mukesh for A.Y.2024-25 [As per the original return filed by him]

	Particulars	₹	₹
(i)	Salaries (Computed)		7,30,000
(ii)	Income from Other Sources		
	Interest on savings bank account	12,700	
	Interest on fixed deposits	43,000	55,700
			7,85,700
	Less: Deductions under Chapter VI-A		
(i)	Deduction u/s 80C	1,50,000	
(ii)	Deduction u/s 80D	25,000	
(iii)	Deduction u/s 80TTA	10,000	1,85,000
	Total Income		6,00,700

Computation of tax liability of Mr. Mukesh for A.Y.2024-25 (As per original return)

	₹
Tax on total income [20% of ₹ 1,00,700 (i.e., ₹ 6,00,700 – ₹ 5,00,000) + ₹ 12,500]	32,640
Add: HEC@4%	1,306
Tax payable on total income	33,946
Tax payable on total income (rounded off)	33,950
Less: Tax deducted at source u/s 192	33,950
Tax Payable	Nil

Need for filing revised return - Analysis

Since Mr. Mukesh's birthday falls on 1.4.2023 he would be treated as having completed 60 years of age in the P.Y.2023-24, and hence, he would be eligible for the benefit of higher deduction u/s 80D, higher deduction of up-to ` 50,000 u/s 80TTB (instead of ` 10,000 u/s 80TTA) while computing his total income as well as for higher basic exemption limit of ` 3,00,000 in the P.Y.2023-24 itself while computing his tax liability. Also, he would be entitled to deduction in respect of medical insurance premium paid to insure the health of his mother and medical expenses incurred on his father who is not covered under any Mediclaim policy. Accordingly, having discovered such omissions in the original return, he has to file his revised return of income u/s 139(5) on or before 31.12.2024 to avail these benefits which he has not availed while filing his original return of income. The computation of total income and tax liability

Computation of Total Income of Mr. Mukesh for the A.Y.
2024-25 [As per the Revised Return]

S.No	Particulars		
(i)	Salaries (Computed)		7,30,000
(ii)	Income from Other Sources		
	Interest on savings bank account	12,700	
	Interest on fixed deposits	43,000	
			55,700
	Gross Total Income		7,85,700
Less: Deductions under Chapter VI-A			
(i)	Deduction u/s 80C	1,50,000	
(ii)	Deduction u/s 80D		
	Medical insurance premium for self and spouse	38,000	
	Preventive health check-up for self (allowable even if paid in cash)	1,500	
	Fully allowed as it is within the overall limit of ` 50,000 for family	39,500	
	Medical insurance premium for mother	33,000	
	Medical expenditure for father not covered under any policy	25,000	
	Preventive health check-up for parents (` 4,000, restricted to ` 3,500, being ` 5,000 – ` 1,500 claimed for self and spouse)	3,500	

		61,500			
(iii)	Restricted to maximum of ` 50,000 for parents		50,000	89,500	
	Deduction u/s 80TTB				
	Interest on savings bank account		12,700		
	Interest on fixed deposits		43,000		
			55,700		
	Restricted to maximum of ` 50,000			50,000	
					2,89,500
Total Income					4,96,200

Computation of tax liability of Mr. Mukesh for A.Y.2024-25 [As per the Revised Return]

Tax on total income [5% of `1,96,200 (i.e., `4,96,200 – `3,00,000 basic exemption limit)]	9,810
Less: Rebate u/s 87A (Since his total income does not exceed ` 5 lakh) – ` 12,500 or tax on total income, whichever is lower	9,810
Tax payable on total income	Nil
Less: Tax deducted at source u/s 192	33,950
Refund due	33,950

Therefore, Mr. Mukesh has to file a revised return showing the above revised computation of total income and tax liability on or before 31.12.2024 to claim the enhanced deductions which he had not claimed in the original return and get refund of the entire income-tax of ` 33,950 deducted at source by his employer.

Question :4 Mr. X, an employee of the Central Government is posted at New Delhi. He joined the service on 1st February, 2020. Details of his income for the previous year 2020-21, are as follows:

- (i) Basic salary : ` 3,80,000
- (ii) Dearness allowance : ` 1,20,000 (40% forms part of pay for retirement benefits)
- (iii) Both Mr. X and Government contribute 20% of basic salary to the pension scheme referred to in section 80CCD.
- (iv) Gift received by X's minor son on his birthday from friend: ` 70,000. (No other gift is received by him during the previous year 2023-24)
- (v) During the year 2016-17, Mr. X gifted a sum of ` 6,00,000 to Mrs. X. She started a business by introducing such amount as her capital. On 1st April, 2023, her total investments in business was ` 10,00,000. During the previous year 2023-24, she has loss from such business ` 1,30,000
- (vi) Mr. X deposited ` 70,000 in Sukanya Samridhi account on 23.01.2024. He also contributed ` 40,000 in an approved annuity plan of LIC to claim deduction u/s

80CCC.

- (vii) He has taken an educational loan for his major son who is pursuing MBA course from Gujarat University. He has paid ₹ 15,000 as interest on such loan which includes ₹ 5,000 for the financial year 2023-24.

Determine the total income of Mr. X for the assessment year 2024-25. Ignore provisions under section 115BAC.(PYP DEC 21)

Solution : 4 Computation of Total Income of Mr. X for A.Y. 2024-25

Particulars	Amount	Amount
Salaries		
Basic Salary	3,80,000	
Dearness Allowance	1,20,000	
Employer contribution to NPS = 20% of ₹ 3,80,000	76,000	
	5,76,000	
Less: Standard deduction [₹ 50,000 or ₹ 5,76,000, whichever is lower]	50,000	5,26,000
Profits and gains of business or profession		
Where the amount gifted by Mr. X (₹ 6 lakh, in this case) is invested by Mrs. X in a business as her capital, proportionate share of profit or loss, as the case may be, computed by taking into account the value of the investment as on 1.4.2023 to the total investment in the business (₹ 10 lakh) would be included in the income of Mr. X [loss of ₹ 1,30,000 x 6/10]	(78,000)	
Income from other sources		
All income of the minor son would be included in the income of the parent Mr. X, since his income is higher than the	70,000	
income of Mrs. X (loss of ₹ 52,000, based on the information given in the question). Accordingly, ₹ 70,000, being amount of gift received by minor son during the P.Y.2023-24, would be included in the income of Mr. X as the amount of gift exceeds ₹ 50,000.		
Less: Exemption in respect of income of minor child included in Mr. X's income	1,500	
	68,500	
Less: Business loss of ₹ 78,000 set-off to the extent of	68,500	
(Balance business loss of ₹ 9,500 to be carried forward to the next year, since the same cannot be set-off against salary income)		
Gross Total Income		
Less: Deductions under Chapter VI-A		
Under section 80C – deposit in Sukanya Samridhi	70,000	

Account		
Under section 80CCC – Contribution to LIC Annuity Plan	40,000	
Under section 80CCD(1) – Employee contribution to NPS (₹ 76,000 – ₹ 50,000 deduction claimed u/s 80CCD(1B)], since it is lower than ₹ 42,800, being 10% of salary (₹ 3,80,000 + ₹ 48,000)	26,000	
Allowable in full, since less than ₹ 1,50,000, being the maximum permissible deduction u/s 80C, 80CCC & 80CCD(1)	1,36,000	
Under section 80CCD(1B) – Employee contribution to NPS	50,000	
Under section 80CCD(2) – Employer contribution to NPS restricted to 14% of basic salary + DA forming part of pay, since employer is Central Government = 14% x (₹ 3,80,000 + ₹ 48,000)	59,920	
Under section 80E – Interest paid on loan taken for higher education	15,000	
		2,60,920
TOTAL INCOME		2,65,080

Notes - The following assumptions have been made while solving the question –

- Loan is taken from a financial institution or approved charitable institution, and hence, interest paid on such loan qualifies for deduction under section 80E.
- The question mentions that gift of ₹ 6 lakhs is given by Mr. X to Mrs. X during the P.Y.2016-17. However, the date of investment in business is not given. assumed that it was invested between 2.4.2022 to 1.4.2023 for solving the problem, in the absence of other information in the question.

Question :5 Mr. Bhasin, a resident individual, aged 52 years, provides management consultancy services to various corporate and non-corporate clients. His Income & Expenditure A/c for the year ended 31st March, 2024 is as under:

Expenditure	Amount (₹)	Income	Amount (₹)
To Employees' Remuneration	15,00,000	By Gross Receipts from Profession (last year ₹ 75,00,000) (No TDS was deducted from any of the receipts)	60,60,000
To Office & Administrative Expenses	5,00,000	By Interest on Savings Bank Account	25,000
To Rates and Taxes	15,000	By Winnings from Lottery (Net of cost of lottery tickets of ₹ 500)	99,500
To Interest Expenses	80,000	By Rent Received	2,40,000

To Office Rent	2,40,000		
To Insurance Premium	72,000		
To Professional Fees	2,00,000		
To Depreciation on Computers	1,20,000		
To Excess of Income over Expenditure	36,97,500		
	64,24,500		64,24,500

The following details relates to F.Y. 2023-24 :

- (i) Employees' Remuneration includes a sum of ` 3,00,000 paid to his wife, Mrs. Beena who is working as a manager in his office. She does not have any technical or professional qualification or experience required for the job. The payment of salary was as per market rates in comparison to similar work profile.
- (ii) Mr. Bhasin owns a big house with 2 independent units. Unit - 1 (with 50% floor area) has been let out for residential purposes at a monthly rent of ` 20,000 for the entire year. Unit - 2 (with the balance 50% of the floor area) is used by Mr. Bhasin as his residence- cum-office. Other particulars of the house are:
Municipal Valuation - ` 3,60,000
p.a. Fair Rent - ` 4,20,000 p.a.
Standard Rent under Rent Control Act - ` 4,00,000 p.a.
- (iii) Rates and taxes include a sum of ` 10,000 paid as municipal taxes of the house.
- (iv) Interest expenses represent interest on capital borrowed from a nationalised bank for the construction of the house. The construction was completed in F.Y.2010 -11. Neither the loan nor the interest was paid till the due date of filing the return of income.
- (v) Based on the actual rent received for Unit-1, Mr. Bhasin has debited ` 2,40,000 as notional rent for Unit-2 which is used for his profession.
- (vi) The expense on insurance premium of ` 72,000 represents lump-sum health insurance premium paid by Mr. Bhasin for 3 years effective from 1st July, 2023 to 30th June, 2026 for himself, his spouse and two dependent children. The said insurance premium was paid through account payee cheque.
- (vii) The expenses on professional fees paid includes a sum of ` 1,00,000 paid to Mr. Raunak, an Indian resident on which no tax was deducted at source.
- (viii) There was only one block containing computers which came into existence only on 2nd April, 2023 when new laptops (for ` 1,60,000), printers and scanners (for ` 40,000) were purchased. He charged depreciation @ 60% in the entire cost of ` 2,00,000 and debited the amount to Income & Expenditure A/c.
- (ix) Mr. Bhasin has also taken a loan of ` 5,00,000 from a nationalised bank for higher education of his son. During F.Y.2023-24, he repaid principal of ` 75,000 along with interest of ` 40,000. This amount is not reflected in Income and Expenditure Account.
- (x) You are required to compute the total income under proper heads of income of

Mr. Bhasin for

- (xi) A.Y. 2024-25 under regular provisions of Income-tax Act 1961, assuming that he has not opted to pay tax under section 115BAC. Also calculate the total tax payable by him. (PYP MAY 23)

Solution : 5 Computation of total income and tax payable by Mr. Bhasin for A.Y. 2024 -25

	Particulars	₹	₹	₹
I	Income from Salaries			
	Salary of Mrs. Beena [Remuneration paid by Mr. Bhasin to his wife Mrs. Beena who is employed as a manager in his office would be included in his hands, since Mrs. Beena does not have any technical or professional qualification or experience required for the job]		3,00,000	
	Less: Standard deduction u/s 16(ia)		50,000	2,50,000
II	Income from house property			
	Let out portion (Unit 1 – 50% area)			
	Gross Annual Value [Higher of expected rent of ₹ 2,00,000 and actual rent of ₹ 2,40,000 (₹ 20,000 x 12)]	2,40,000		
	[Expected rent is higher of municipal value of ₹ 1,80,000 (3,60,000 x 50%) and fair rent of ₹ 2,10,000 (₹ 4,20,000 x 50%), restricted to standard rent of ₹ 2,00,000 (₹ 4,00,000 x 50%)]			
	Less: Municipal taxes paid for let out portion (₹ 10,000 x 50%)	5,000		
	Net Annual Value (NAV)	2,35,000		
	Less: Deduction under section 24			
	(a) 30% of NAV	70,500		
	(b) Interest on capital borrowed for construction of house relating to let out portion (80,000 x 50%) (allowed on accrual basis)	40,000		
	Income from let out portion		1,24,500	
	Self-occupied (Unit 2 – 25%)			
	[Since Unit 2 representing 50% of the floor area is used for residence as well as business purpose, it is assumed that it is equally			

	used for residence and business purpose]	
	Gross Annual Value	Nil
	Less: Municipal taxes [not allowed for self-occupied property]	Nil
	Net Annual Value	Nil
	Less: Deduction under section 24(b)	
	Interest on loan for construction of house, ` 80,000 x 50% x 1/2 (allowable on accrual basis)	20,000
	Loss from self-occupied portion	(20,000)
	[Loss from self-occupied portion can be set off against income from let out portion]	1,04,500
III	Profits and gains from business and profession	
	Excess of income over expenditure	36,97,500
	Add: Expenses debited to Income & Expenditure A/c but not allowable as deduction	
	Remuneration paid to his wife Mrs. Beena [As per section 40A(2) remuneration paid to Mrs. Beena is allowed, since it is as per market rates]	-
	Municipal taxes attributable to let out and self-occupied portions not allowable [$` 10,000 \times 75\%$]	7,500
	Interest on capital borrowed for construction of house attributable to let out and self-occupied portion not allowable [$` 80,000 \times 75\%$]	60,000
	Interest on capital borrowed from bank for construction of house attributable to business portion i.e., 25% of ` 80,000 [not allowable, since it is not paid on or before due date of filing return of income by virtue of section 43B]	20,000
	Notional rent for Unit 2 used for business or profession [not allowable under section 30, since Mr. Bhasin himself is the owner of the property]	2,40,000
	Insurance premium [Personal expenditure not allowable]	72,000

	Professional fees to Mr. Raunak without deducting TDS [$\text{₹ } 1,00,000 \times 30\%$] [Mr. Bhasin is required to deduct TDS on professional fees payment to Mr. Raunak since his gross receipts from profession exceeds $\text{₹ } 50$ lakhs during the P.Y. 2022-23. 30% of the sum paid to Mr. Raunak, resident without deducting tax to be disallowed in P.Y. 2023-24]	30,000		
	Depreciation as per books	1,20,000	5,49,500	
			42,47,000	
	Less: Income credited to Income & Expenditure A/c but not taxable as business income			
	Interest on savings bank account [taxable under the head "Income from other sources"]	25,000		
	Winnings from lottery [taxable under the head "Income from other sources"]	99,500		
	Rent received [taxable under the head "Income from house property"]	2,40,000	3,64,500	
			38,82,500	
	Less: Depreciation allowable [$2,00,000$ ($\text{₹ } 1,60,000$, being new laptops + $\text{₹ } 40,000$, being printers) $\times 40\%$, i.e., $64,000 + 16,000$ as it was put to use for more than 180 days in the P.Y. 2023-24. Printers and scanners for $\text{₹ } 40,000$ are eligible for higher depreciation of 40%]		80,000	
				38,02,500
IV	Income from Other Sources			
	Interest on savings bank account		25,000	
	Winnings from Lottery [No expenditure or allowance is allowed from lottery income]		1,00,000	
				1,25,000
	Gross Total Income			42,82,000
	Less: Deduction under Chapter VI-A			
	Deduction under section 80D			
	Medical insurance premium [$\text{₹ } 72,000 \times 1/4$, being the previous years in which insurance would be in force] [allowable for self, spouse and dependent children]		18,000	
	Deduction under section 80E			
	Interest on loan taken from a nationalised bank for higher education of son		40,000	

Deduction under section 80TTA			
Interest on saving bank account to the extent of		10,000	68,000
Total Income			42,14,000
Tax Payable			
On lottery income [30% of ` 1,00,000]		30,000	
On other income of ` 41,14,000			
Upto ` 2,50,000	Nil		
` 2,50,000 @5% [` 2,50,000 – ` 5,00,000]	12,500		
` 5,00,000 @20% [` 5,00,000 – ` 10,00,000]	1,00,000		
` 31,14,000 @30% [` 10,00,000 – ` 41,14,000]	9,34,200		
		10,46,700	
			10,76,700
Less: HEC@4%			43,068
Tax liability			11,19,768
Less: TDS on lottery winnings @30% u/s 194B			30,000
Tax payable			10,89,768
Tax payable (rounded off)			10,89,770

Question: 6 Mr. Ravi, a resident and ordinarily resident in India, owns a let out house property having different flats in Kanpur which has municipal value of ₹ 27,00,000 and standard rent of ₹ 29,80,000. Market rent of similar property is ₹ 30,00,000. Annual rent was ₹ 40,00,000 which includes ₹ 10,00,000 pertaining to different amenities provided in the building. One flat in the property (annual rent is ₹ 2,40,000) remains vacant for 4 months during the previous year. He has incurred following expenses in respect of aforesaid property:

Municipal taxes of ₹ 4,00,000 for the financial year 2023-24 (10% rebate is obtained for payment before due date). Arrears of municipal tax of financial year 2022 -23 paid during the year of ₹ 1,40,000 which includes interest on arrears of ₹ 25,000.

Lift maintenance expenses of ₹ 2,40,000 which includes a payment of ₹ 30,000 which is made in cash.

Salary of ₹ 88,000 paid to staff for collecting house rent and other charges.

Compute the total income of Mr. Ravi for the assessment year 2024-25 assuming that Mr. Ravi has not opted for the provisions under section 115BAC.(PYP DEC 21)

Solution :6

Computation of total income of Mr. Ravi for A.Y. 2024-25 under the regular provisions of the Act

Particulars	Amount	Amount
Income from house property		
Gross Annual Value Expected rent ₹ 29,80,000 [Higher of Municipal Value of ₹ 27,00,000 p.a. and Fair Rent of ₹ 30,00,000 p.a., but restricted to Standard Rent of ₹ 29,80,000 p.a.] Actual rent ₹ 29,40,000 [₹ 30,00,000, being annual rent for house property less rent of ₹ 60,000 (₹ 2,40,000 × 4/12 × 3/4) due to vacancy] Gross Annual Value	29,40,000	
In this case, the actual rent is lower than the expected rent due to vacancy. Otherwise, the actual rent of ₹ 30,00,000 would have been higher than the expected rent. In such a case, the actual rent would be the gross annual value, even if it is lower than the expected rent.		
Less: Municipal taxes actually paid during the year: [₹ 4,00,000 – rebate of ₹ 40,000] = ₹ 3,60,000	4,75,000	

$[\text{₹ } 1,40,000 \text{ arrears} - \text{₹ } 25,000 \text{ interest}] = \text{₹ } 1,15,000$		
Net Annual Value	24,65,000	
Less: Deduction from Net Annual Value 30% of Net Annual Value	7,39,500	17,25,500
Income from Other Sources/Profits and gains from business or profession		
Rent for amenities	10,00,000	
Less: Loss due to vacancy $[2,40,000 \times 4/12 \times \frac{1}{4}]$	20,000	
	9,80,000	
Less: Expenditure in respect thereof		
- Lift maintenance expenses [excluding cash payment of ₹ 30,000 disallowed] = ₹ 2,40,000 – ₹ 30,000 = ₹ 2,10,000		
Salary to staff $[\text{₹ } 88,000 \times \frac{1}{4}, \text{ being the proportionpertaining to amenities}] = ₹ 22,000$	2,32,000	7,48,000
Total Income		24,73,500

Question: 7 During the previous year 2023-24, following transactions took place in respect of Mr. Raghav who is 56 years old.

- (i) Mr. Raghav owns two house properties in Mumbai. The details in respect of these properties are as under -

	House 1 Self occupied	House 2 Let-out
Rent received per month	Not applicable	₹ 60,000
Municipal taxes paid	₹ 7,500	Nil
Interest on loan (taken for purchase of property)	₹ 3,50,000	₹ 5,00,000
Principal repayment of loan (taken from HDFC bank)	₹ 2,00,000	₹ 3,00,000

- (ii) Mr. Raghav had a house in Delhi. During financial year 2013-14, he had transferred the house to Ms. Vamika, daughter of his sister without any consideration. House would go back to Mr. Raghav after the life time of Ms. Vamika. The transfer was made with a condition that 10% of rental income from such house shall be paid to Mrs. Raghav. Rent received by Ms. Vamika during the previous year 2023-24 from such house property is ₹ 5,50,000.
- (iii) Mr. Raghav receives following income from M/s M Pvt. Ltd. during P.Y. 2023-24:

- Interest on Debentures of ₹ 7,50,000; and
- Salary of ₹ 3,75,000. He does not possess the adequate professional qualification commensurate with the salary received by him.

Shareholding of M/s M Pvt. Ltd. as on 31.3.2024 is as under -

	Equity shares	Preference shares
Mr. Raghav	Nil	Nil
Mrs. Raghav	2%	25%
Mr. Jai Kishan (brother of Mrs. Raghav)	98%	75%

- (iv) Mr. and Mrs. Raghav forms a partnership firm with equal share in profits. Mr. Raghav transferred a fixed deposit of ₹ 1 crore to such firm. Firm had no income or expense other than the interest of ₹ 9,00,000 received from such fixed deposit. Firm distributed the entire surplus to Mr. and Mrs. Raghav at the end of the year.
- (v) Mr. Raghav holds preference shares in M/s K Pvt. Ltd. He instructed the company to pay dividends to Ms. Geetanshi, daughter of his servant. The transfer is irrevocable for the life time of Geetanshi. Dividend received by Ms. Geetanshi during the previous year 2023-24 is ₹ 13,00,000.
- (vi) Other income of Mr. Raghav includes
- Interest from saving bank account of ₹ 2,00,000
 - Cash gift of ₹ 75,000 received from daughter of his sister on his birthday.
- Compute the total income of Mr. Raghav for the Assessment Year 2024-25.

(PYP JAN 21)

Solution :7 Computation of Total Income of Mr. Raghav for A.Y. 2024-25

Particulars	Amount (₹)	Amount (₹)
Salary [Since Mrs. Raghav along with her brother holds shares carrying 100% voting power in M/s M Pvt. Ltd., they have a substantial interest in the company. Since Mr. Raghav is working in the same company without any professional qualifications commensurate with his salary, the salary of ₹ 3,75,000 received by him would be included in the hands of Mrs. Raghav. Income from house property House 1 [Self-occupied]		Nil

Net annual value	-	
Less: Interest on loan [upto `2,00,000]	2,00,000	(2,00,000)
House 2 [Let out]		
Gross annual value7 [`60,000 x 12]	7,20,000	
Less: Municipal taxes	-	
Net annual value	7,20,000	
Less: Deductions from Net Annual Value		
(a) 30% of Net Annual Value	2,16,000	
(b) Interest on loan	5,00,000	4,000
House in Delhi [Since Mr. Raghav receives direct or indirect benefit from income arising to his sister's daughter , Ms. Vamika, from the transfer of house to her without consideration, such income is to be included in the total income of Mr. Raghav as per proviso to section 62(1), even though the transfer may not be revocable during lifetime of Ms. Vamika's]		
Gross Annual Value	5,50,000	
Less: Municipal taxes	-	
Net Annual Value	5,50,000	
Less: Deductions from Net Annual Value		
(a) 30% of Net Annual Value	1,65,000	
(b) Interest on loan	-	3,85,000
		1,89,000
Profits and gains from business or profession		
Share of profit from firm [Exempt u/s 10(2A)]	-	
Exempt income cannot be clubbed		
Income from other sources		
Dividend on preference shares exceeding ` 10,00,000 taxable under section 115BBDA [Taxable in the hands of Mr. Raghav as per section 60, since he transferred the income, i.e., dividend, without transferring the asset, i.e., preference shares]	13,00,000	
Interest on debentures	7,50,000	
Interest from saving bank account	2,00,000	
Cash gift [Taxable, since sum of money exceeding ` 50,000 is received from his niece, who is not a relative as per section 56(2)]	75,000	23,25,000

Gross Total Income		25,14,000
Less: Deduction under Chapter VI-A		
Deduction under section 80C [Principal repayment of loan ₹ 5 lakh, restricted to ₹ 1,50,000]	1,50,000	
Deduction under section 80TTA [Interest from savings bank account]	10,000	1,60,000
Total Income		23,54,000

Question: 8 Mr. Kamal, a resident individual aged 48 years, is working at a senior management position in a private bank since past 20 years. During the previous year 2023-24, he received the following emoluments from the employer:

- Basic Salary ₹ 3,50,000 per month.
- Client entertainment reimbursement of ₹ 20,000 per month out of which he submitted bills for ₹ 2,00,000 for the relevant year.
- Leave travel allowance of ₹ 4,00,000 per annum. He took a trip to Goa with his spouse and two children in December 2023, for which plane boarding tickets of ₹ 1,00,000 and hotel bookings of ₹ 3,00,000 were submitted to the employer.
- Performance bonus amounting to 20% of annual basic salary.
- He is eligible to take a staff housing loan upto ₹ 20,00,000 at a concessional rate of 2.5% p.a. He availed a housing loan of ₹ 15,00,000 out of the same on 1st June 2023. No repayment of loan has been made during the F.Y. 2023-24. The lending rate of SBI as on 1.4.2023 for housing loan may be taken as 8% p.a.
- The Bank also allotted 1,500 sweat equity shares to Mr. Kamal in May 2023 at the rate of ₹ 1,300 per share. The Fair market value of the share was ₹ 1,500 per share on the date of exercise of option by Mr. Kamal. He sold all the shares for ₹ 2,100 per share on 31.03.2024 on recognised stock exchange. Assume Securities transaction tax has been paid.

The following transactions were made by Mr. Kamal during the previous year 2023-24:

- He earned rental income of ₹ 35,000 per month from a 3 BHK residential flat situated at Delhi. He purchased the said flat for ₹ 45 Lakhs in June, 2022 using the housing loan availed from the employer and his own savings. It was let out from July, 2023. Municipal taxes of ₹ 12,000 for F.Y. 2023-24 was paid by Mr. Kamal.
- He invested ₹ 30,00,000 in RBI Floating Rate Savings Bonds on 1st September 2023 earning an interest of 7% p.a. Interest is credited half yearly on 1st January and 1st July every year. (Assume receipt basis for taxation)

- (c) He also paid LIC premium of ₹ 15,000 for self, ₹ 20,000 for wife and ₹ 30,000 for dependent father, aged 75 years. Medical insurance premium paid on the health of dependent brother and major dependent son amounted to ₹ 5,000 (paid by cheque) and ₹ 10,000 (paid in cash), respectively.
- (d) In December 2023, he earned dividend income of ₹ 5,00,000 (gross) on shares of the bank held by him.

You are required to compute his total income and tax liability for the assessment year 2024-25, clearly showing all workings.

(RTP MAY 23)

Solution :8 Computation of total income of Mr. Kamal for the A.Y. 2024-25

Particulars		Amount (₹)	Amount (₹)
I	Income from salaries		
	Basic Salary [₹ 3,50,000 x 12]	42,00,000	
	Client entertainment reimbursement [₹ 2,40,000 - ₹ 2,00,000]	40,000	
	Leave Travel Allowance [₹ 4,00,000 - ₹ 1,00,000] [Note 1]	3,00,000	
	Performance Bonus (20% of Basic Salary)	8,40,000	
	Interest on Housing loan	68,750	
	[₹ 15,00,000 x (8% - 2.5%) x 10/12]	3,00,000	
	Sweat Equity allotted by the employer (₹ 1,500 - ₹ 1,300) x 1,500	57,48,750	
	Gross Salary	50,000	
	Less: Standard deduction		56,98,750
	Taxable Salary		
II	Income from house property	3,15,000	
	Gross Annual Value under section 23(1) [Rent received for 9 months has been taken as the Gross Annual Value in the absence of other information relating to Municipal Value, Fair Rent and Standard Rent] [₹ 35,000 x 9]	12,000	
	Less: Municipal taxes paid	3,03,000	
	Net Annual Value (NAV)	90,900	
	Less: Deduction u/s 24	31,250	
	(a) @30% of NAV		

(b) Interest on borrowed capital $[15,00,000 \times 2.5\% \times 10/12]$		1,80,850
		9,00,000
III Capital gains		
STCG on sale of sweat equity shares $[1,500 \times (\text{₹} 2,100 - \text{₹} 1,500)]$	5,00,000	
IV Income from other sources	70,000	5,70,000
Dividend Income		73,49,600
Interest on RBI bonds $[\text{₹} 30,00,000 \times 7\% \times 4/12]$	35,000	
Gross total Income		
Less: Deduction under Chapter VI-A	Nil	35,000
Deduction u/s 80C for LIC premium paid for self and wife [Note 2]		73,14,600
Deduction u/s 80 D [Note 3]		
Total Income		

Computation of tax liability of Mr. Kamal for the A.Y. 2024-25

Particulars	Amount (₹)	Amount (₹)
Tax on STCG u/s 111A @15% on ₹ 9,00,000		1,35,000
Tax on other income of ₹ 64,14,600		
Upto ₹ 2,50,000	Nil	
₹ 2,50,001 - ₹ 5,00,000 @5%	12,500	
₹ 5,00,001 - ₹ 10,00,000 @20%	1,00,000	
₹ 10,00,001 - ₹ 64,14,600 @30%	16,24,380	17,36,880
Add: Surcharge@10% since total income exceeds ₹ 50 lakhs but does not exceed ₹ 1 crore		18,71,880
		1,87,188
Add: Health and Education cess @ 4%		20,59,068
		82,363
Tax Liability		21,41,431
Tax Liability (Rounded off)		21,41,430

- (1) Hotel Bookings and lodgings are not covered under leave travel facility. Hence, only ₹ 1,00,000 of cost of tickets would be exempt under section 10(5).
- (2) Premium for life insurance policy of father is not allowed as deduction under section 80C.
- (3) Medical insurance premium on the health of brother is not allowable since brother

does not come within the meaning of family u/s 80D. In case of son, premium is paid in cash, hence, the same is not allowed.

Question: 9 Mr. Suresh has a sole proprietary manufacturing unit. On 1st April, 2023, he owns Plant A and Plant B (rate of depreciation 15%). Depreciated value of the block on 1st April, 2023 is ₹ 10,00,000. Plant B is transferred on 15th October, 2023 for ₹ 19,00,000. Expenditure on transfer of Plant B is ₹ 20,000. Plant C (rate of depreciation 15%) is purchased on 10th March, 2024 for ₹ 22,00,000. However, Plant C is put to use on 2nd September, 2024 Business income of Mr. Suresh before claiming any depreciation is ₹ 11,00,000.

On 1st March, 2024, Mr. Suresh transfers 900 equity shares in A Ltd. (unlisted) for ₹ 23,50,000. Mr. Suresh does not own any residential house property. These shares were purchased on 2nd April, 2015 for ₹ 2,00,000. To avail of the benefit of exemption under different sections, he made the following investments on 1st May, 2024.

- (i) A residential house property at Kolkata: ₹ 19,00,000 (out of which stamp duty expenditure is ₹ 30,000).
- (ii) NHAI bonds: ₹ 3,00,000.

Find out the gross total income of Mr. Suresh for the A.Y. 2024-25. CII – F.Y. 2023-24: 348; F.Y. 2022-23 :331 FY 2015-16: 254(RTP MAY 23)

Solution : 9 Computation of gross total income of Mr. Suresh for the A.Y. 2024-25

Particulars	Amount (₹)	Amount (₹)
Profits and gains of business or profession		
Business income before depreciation		11,00,000
Depreciated value of the block on April 1, 2023	10,00,000	
Add: "Actual cost" of Plant C acquired on March 10, 2024	22,00,000	
Less: Sale Consideration of Plant B	19,00,000	
Written down value on March 31, 2024	13,00,000	
Normal depreciation (not available as Plant C is not put to use during the P.Y. 2023-24)	Nil	
Additional depreciation (not available as Plant C is not put to use during the P.Y. 2023-24)	Nil	
Capital Gains		
Long term capital gain on transfer of unlisted equity shares [Since shares were held for more than 24 months]		

Sale consideration	23,50,000	
Less: Indexed Cost of Acquisition $[2,00,000 \times 348/254]$	2,74,016	
		20,75,984
Less: Exemption under section 54EC	Nil	
[Deduction under section 54EC is allowable only in respect of long term capital gain on transfer of land and building]		
Exemption under section 54F	16,89,278	16,89,278
$[20,89,370 \times 19,00,000/23,50,000]$		
		3,86,706
Gross Total Income		14,86,706

Question: 10 Compute total income and tax liability thereon of Mr. Raghav for the A.Y. 2024-25 from the following details:

Mr. Raghav (aged, 61 years) working in a private company from last 10 years. His salary details for the financial year 2023-24 are:

- (i) Basic Salary 1,70,000 p.m.
- (ii) Dearness Allowance (forms part of retirement benefits) 80,000 p.m.
- (iii) Commission 32,000 p.m.
- (iv) Transport Allowance 5,000 p.m.
- (v) Medical Reimbursement 40,000
- (vi) Mr. Raghav resigned from the services on 30th November, 2023 after completing 10 years and 5 months of service. He was paid gratuity of ` 25 lakhs on his retirement. He is not covered under the Payment of Gratuity Act, 1972.
- (vii) He started business of hiring of goods vehicle, purchased 4 small goods vehicle on 10th December, 2023 and 4 heavy vehicles having gross weight of 20 MTs each on 1st January, 2024. He did not maintain books of accounts for the business of hiring of goods vehicle. Mr. Shivpal, his very close friend gifted him ` 2 lakhs to purchase the vehicles.
- (viii) He was holding 30% equity shares in TSP (P) Ltd., an Indian company. The paid up

share capital of company as on 31st March, 2023 was ₹ 20 lakh divided into 2 lakh shares of ₹ 10 each which were issued at a premium of ₹ 30 each. Company allotted shares to shareholders on 1st October, 2016.

- (ix) He sold all these shares on 30th April, 2023 for ₹ 60 per share. Equity shares of TSP (P) Ltd. are listed on National Stock Exchange and Mr. Raghav has paid STT both at the time of acquisition and transfer of such shares. FMV on 31.12.2018 was ₹ 50 per share.
- (x) On 12.2.2024, interest of fixed deposits of ₹ 90,000 credited to his SBI Bank. On 30.4.2023, ₹ 5,500 and on 30.12.2023, ₹ 8,500 credited to interest on saving bank A/c with SBI Bank.
- (xi) He deposited ₹ 1,10,000 in PPF A/c. He paid insurance premium of ₹ 20,000 on his life policy during the financial year 2023-24. The policy was taken in April 2014 and sum assured was ₹ 3,00,000. He also made payment of ₹ 25,000 towards L.I.C. pension fund and premium of ₹ 40,000 towards mediclaim policy for self and ₹ 20,000 for his wife. All the payment he made by A/c payee cheque.
- (xii) There was no change in salary of Mr. Raghav from last two years. He does not opt to pay tax as per section 115BAC.
- (xiii) Cost inflation Index is:
- (xiv)

Financial Year	Cost Inflation Index
2013-14	220
2020-21	301
2023-24	348

(RTP May 21)

Solution : 10 Computation of Total Income of Mr. Raghav for the A.Y.2024-25

Particulars	₹	₹
Salaries		
Basic Salary = 1,70,000 x 8	13,60,000	
Dearness Allowance = 80,000 x 8	6,40,000	
Commission = 32,000 x 8	2,56,000	
Transport Allowance = 5,000 x 8	40,000	
Medical reimbursement [Fully taxable]	40,000	

Gratuity – Amount received	25,00,000		
Less: Least of the following exempt u/s 10(10)			
(i) Actual Gratuity received ` 25,00,000			
(ii) $\frac{1}{2}$ month's salary for every year of completed service $[\frac{1}{2} \times 2,50,000 \text{ (Basic salary plus DA)} + \times 10] = ` 12,50,000$			
(iii) Notified limit of ` 20,00,000			
Least of the above is exempt	12,50,000		
		12,50,000	
Gross Salary		35,86,000	
Less: Standard deduction u/s 16(ia) [Actual salary or ` 50,000, whichever is less]		50,000	
Net Salary			35,36,000
Profits and gains of business or profession			
Income from business of hiring goods vehicle			
Other than heavy goods vehicles = $4 \times (` 7,500 \text{ p.m.}) \times (4 \text{ months})$		1,20,000	
Heavy goods vehicles = $4 \times (20 \text{ MTs} \times ` 1,000 \text{ per MT}) \times (3 \text{ months})$		2,40,000	
			3,60,000
Capital Gains			
On transfer of 60,000 shares $(2,00,000 \times 30\%)$			
Sales consideration $[60,000 \times ` 60 \text{ per share}]$		36,00,000	
Less: Cost of acquisition, higher of –		30,00,000	
- Actual cost $[60,000 \times ` 40 \text{ per share}]$	24,00,000		
- Lower of			
• FMV on 31.1.2018 $[60,000 \times 50]$	30,00,000		
• Actual sales consideration $[60,000 \times 60]$	36,00,000		
Long-term capital gains u/s 112A (since shares are held for a period of more than 12 months before transfer)			6,00,000
Income from Other Sources			
Gift from friend taxable u/s 56(2)(x) since the same exceeds ` 50,000. It is fully taxable		2,00,000	
Interest on Saving A/c with SBI Bank		14,000	
Interest on Fixed deposits with SBI Bank		1,00,000	
[Since interest is credited after deduction of at source @			

10%, as the amount of interest exceeds ₹ 50,000, amount included in the total income need to be grossed up (₹ 90,000 x 100/90)]		3,14,000
Gross Total Income		48,10,000
Less: Deduction under Chapter VI-A		
Section 80C		
Deposits in PPF A/c	1,10,000	
Life Insurance premium [fully deductible, since, in respect of a policy taken before 1.4.2012, the actual premium paid (₹ 20,000) or 20% of the sum assured (₹ 3,00,000 x 20% = ₹ 60,000), whichever is lower, has to be deducted]	20,000	
	1,30,000	
Section 80CCC		
Payment to LIC Pension Fund	25,000	
	1,55,000	
Restricted to ₹ 1,50,000, being the maximum allowable deduction		1,50,000
Section 80D		
Medical insurance premium for self and spouse ₹ 60,000, allowable to the extent of ₹ 50,000, since Mr. Raghav is a senior citizen		50,000
Section 80TTB		
Deduction in respect of interest on fixed deposits and saving bank allowable as deduction under section 80TTB, since Mr. Raghav is a senior citizen, to the extent of ₹ 50,000		50,000
Total Income		45,60,000

Computation of tax liability of Mr. Raghav for A.Y. 2024-25

Particulars	₹	₹
Tax on total income of ₹ 45,60,000		
Tax on long-term capital gains of ₹ 6,00,000 arising from transfer of listed shares @10% under section 112A after deducting ₹ 1 lakh.		50,000
Tax on other income of ₹ 39,60,000 [₹ 45,60,000 – ₹ 6,00,000 capital gains]		
Upto ₹ 3,00,000	Nil	
₹ 3,00,001 – ₹ 5,00,000 [i.e., ₹ 3,00,000@5%]	10,000	
₹ 5,00,001 – ₹ 10,00,000 [i.e., ₹ 5,00,000@20%]	1,00,000	
₹ 10,00,001 – ₹ 39,60,000 [i.e., ₹ 29,60,000@30%]	8,88,000	9,98,000
		10,48,000

Add: Health and Education cess@4%		41,920
Tax liability		10,89,920

Question 11: From the following information of Ms Ruchi born on 14 Oct 1980, an Indian Resident, you are required to compute Total Income for the AY 2024-25

Particulars	Amount	Amount
LTCG on sale of House		1,50,000
STCG on sale of Shares in B.Pvt .Ltd		50,000
Loss from House Property		3,50,000
Interest from Saving Account in Post Office		15,000
Prize Winning from a TV show (Gross)		20,000
Business Income		5,50,000
Net Agriculture Income		1,10,000
LIC Premium of self		70,000

(RTP Nov 19)

Solution : 11 Computation of Total Income of Ms Ruchi for AY 2024-25

Particulars	Amount	Amount
PGBP		
Business Income	5,50,000	
Less : Loss from House Property restricted upto Rs 2 lakhs	2,00,000	3,50,000
Capital Gains		
LTCG on sale of House	1,50,000	
STCG on sale of Shares in B.Pvt .Ltd	50,000	2,00,000
Income from Other Sources		
Interest from Saving Account in Post Office	15,000	
Less : Exempt u/s 10(15) to the extent of Rs 3,500	3,500	
	11,500	
Prize Winning from a TV show (Gross)	20,000	31,500
Gross Total Income		5,81,500
Less : Deductions under Chapter VI A :		
LIC Premium of self u/s 80 C	70,000	
U/s 80TTA	10,000	80,000
Total Income		5,01,500