INCOME FROM SALARY

Section 15 - Charging section

- There has to be employer-employee relationship (full time / part time does not matter)
- When is it taxable? Due / Receipt basis (whichever is earlier)
- What if I receive the salary in advance Taxable when received.
 Not taxable AGAIN at the time of accrual
- Forgoing of salary Always taxable (application of income)
- Surrender of salary to central Govt NOT to be treated as salary.
- Employer bears burden of tax = Taxable salary would be SALARY + TAXES borne by employer
- Salary due and Salary accrued = different
- Salary paid to MPs and MLAs = Salary IFOS

Difference between advance salary and advance against salary

- Loan is different from salary.
- When an employee takes a loan from his employer, which is repayable in certain specified installments, the loan amount cannot be brought to tax as salary of the employee.
- Similarly, advance against salary is different from advance salary.
- It is an advance taken by the employee from his employer.
- This advance is generally adjusted with his salary over a specified time period.

It cannot be taxed as salary.

| Calculation of Income from Salary | |
|---------------------------------------|---------|
| Particulars | Amounts |
| 1. Basic Salary | XXX |
| 2. Dearness Allowance (D.A.) | XXX |
| 3. Commission | XXX |
| 4. Bonus | XXX |
| 5. Advance Salary / Arrears salary | XXX |
| 6. Gratuity | XXX |
| 7. Pension | XXX |
| 8. Leave salary | XXX |
| 9. Allowances | XXX |
| 10. Provident Fund | XXX |
| 11. Voluntary Retirement Compensation | XXX |
| 12. Super Annuation fund | XXX |
| 13. Retrenchment Compensation | XXX |
| 14. Perquisite | XXX |
| Gross Salary | XXXX |
| (LESS) Deductions under Section 16 | |
| - Professional taxes | (xxx) |
| - Entertainment allowance | (xxx) |
| - Standard deduction | (XXX) |
| Net Salary | XXX |

Salary components in detail

- Basic salary = FULLY taxable (Wages
 / Salary / Basic salary are used
 interchangeably)
- 2. Dearness Allowance = aimed at beating the impact of inflation

Treatment = Fully taxable whether it is 'in terms' or 'not in terms'

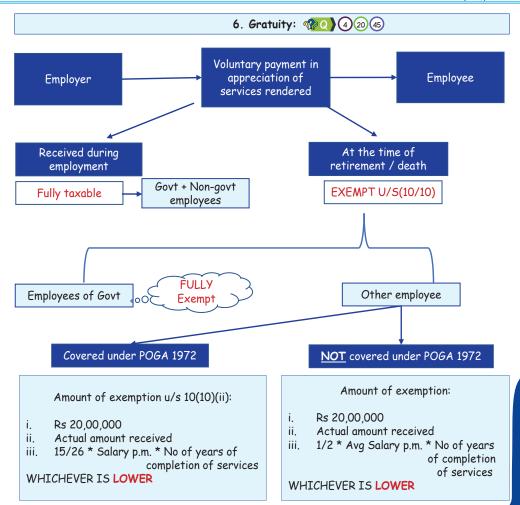
DA in terms = DA which is forming part of retirement benefit calculation.

3. Commission (ANY) - Fully taxable

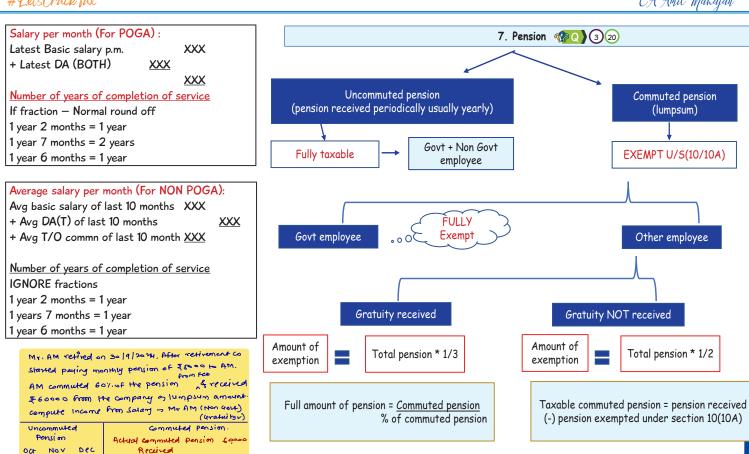
In almost all formulae — ONLY turnover commission is considered

- 4. Bonus = Taxable on receipt basis (not on due basis)
- Advance salary = Taxable on due or receipt basis, whichever is EARLIER

Arrears of salary = taxable in the year of receipt. Arrears may arise due to increase in salary retrospectively



#LetsCrackTax



Special note - Generally students forget to consider the uncommuted pension after the computation.

Note - Annuity received from a past employer is taxable as profit in lieu of salary

INCOME FROM SALARY

Mar

Feb

24

= \$74,000

Exemption

Total Pensim x 1/3

0.60 = FIL Commuted

(35,333)

26,667

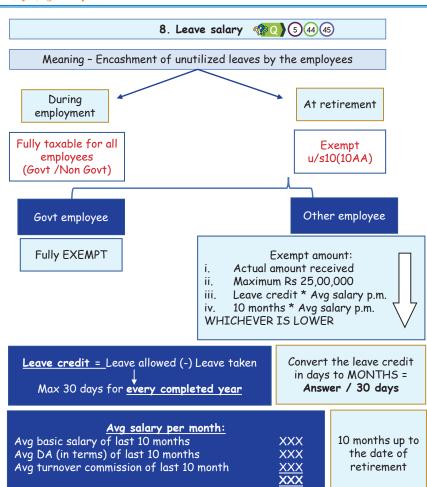
Examples on pension (very important)

Mr. Sagar who retired on 1.10.2021 is receiving 5,000 p.m. as pension. On 1.2.2022, he commuted 60% of his pension and received 3,00,000 as commuted pension. You are required to compute his taxable pension assuming:

- a. He is a government employee.
- b. He is a private sector employee and received gratuity of 5,00,000 at the time of retirement.
- c. He is a private sector employee and did not receive any gratuity at the time of retirement.

| your Employer. | Non-4 or | + > 4 V | | |
|----------------------|---------------|------------|---------------|-----------|
| I) UCP | I) UCP | 24000 | I) UCP | 24000 |
| ~ (75000 x 4m) | I) op | | II) CP | |
| -> (£2000x2m) | Total oprecd. | 3,00,000. | Total oprecd. | 3,00,000. |
| 240.00 | (-) Exemption | | (-) Exemption | |
| II) CP Exempt | 5L × 1/3 | (1,66,667) | 5L × 1/2 | (2,5,000) |
| Total Taxoble 24,000 | CP CP | 1,33,333 | P | 6,000. |
| pension | TP = 1,57,33 | 3 | TP = 74,000 | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

#LetsCrackTax CA Amil Wahayan



Mr. Gupta retired on 1.12.2021 after 20 years of service and received leave salary of 5,00,000. Other details of his salary income are:

Basic Salary Rs 5,000 per month (1,000 was

increased w.e.f. 14.2021)

Dearness Allowance: Rs 3,000 p.m. (60% of which is

for retirement benefits)

Commission: Rs 7,500 p.m. Bonus: Rs 1,000 p.m.

Leave availed during service: 480 days. He was entitled to 30 days leave every year.

Compute his taxable leave salary assuming:

- a. He is a government employee
- b. He is a non government employee

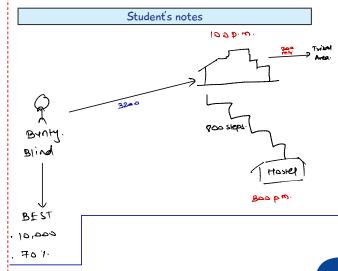
Sec 80 CCH :- Contribution to Agniveer corpus fund account - Newly added.

Contri to Agniveer employer's contribution to the Agniveer Corpus Fund account of an individual enrolled in the Agnipath Scheme (referred to in section 80CCH) is fully taxable of employee

INCOME FROM SALARY

| 9. Allowances 2 2 27 30 31 32 36 | | |
|---|---|--|
| Allowance | Exemption | |
| Children Education Allowance | Max Rs 100 p.m. per child (max 2 child) | |
| Children Hostel Allowance | Max Rs 300 p.m. per child (max 2 child) | |
| Commutation / Transport allowance | Max Rs 3200 p.m. (in case of blind/ | |
| | deaf/handicapped/dumb) | |
| Underground Allowance (Mines) | Max Rs 800 p.m. | |
| Tribal area Allowance | Max Rs 200 p.m. | |
| Allowance to employees of Transport | t 70% of allowance OR | |
| undertaking | Rs 10,000 p.m. | |
| House Rent Allowance - Exempt under | i. 40% / 50% of salary [Basic + | |
| 10(13A) | DA(T) + Turnover Commission] | |
| 1 26 39 | ii. Actual amount received | |
| | iii. Rent paid — 10% of salary [Basic + | |
| | DA(T) + Turnover Commission | |
| | 50% = Metro cities [Mumbai, Delhi, | |
| | Chennai, Kolkata], | |
| | 40% = Other cities | |
| Traveling or Tour allowance | | |
| Conveyance allowance | Exempt on the basis of amount | |
| Uniform allowance | spent actually | |
| Daily allowance | spent actually | |
| Helper allowance (for office Purpose) | | |
| Research allowance / Academy allowance | | |
| OTHER allowances | TAXABLE | |

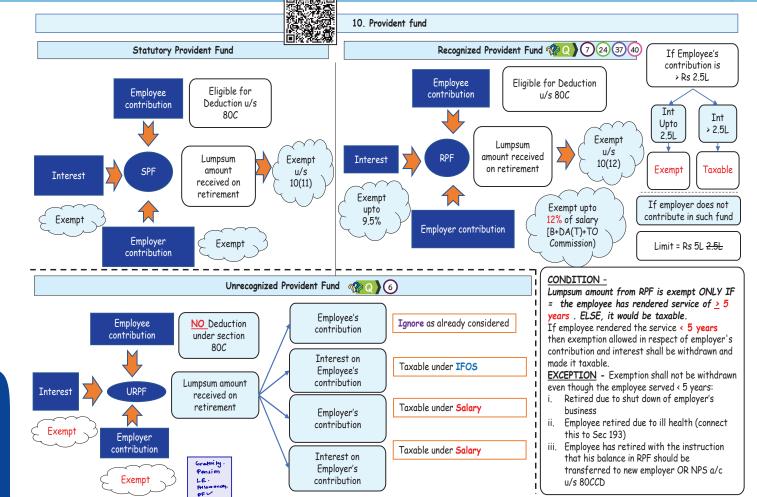
- → Note: Conveyance, Daily, Travelling/Transfer allowances are exempt in both tax regime.
- → Note: Transport allowance for handicapped employees is exempt in both schemes.
- → Note: HRA is Exempt in Old Scheme Only



- . Telephane auswance.
- · Medical allowonce.

1 ayable

ere







11. Voluntary Retirement Scheme -Govt employee

Exempt u/s 10(10C) @ Q 8 9 Exempt amount:

Actual amount received i.

- Maximum Rs 5,00,000 ii.
- Salary pm * 3 months * No of years of completion of service (Ignore the iii. fraction)
- Salary p.m. * No of remaining months of service iv.

WHICHEVER IS LOWER

Salary = Basic + DA(T) + Turnover commission

12. Super Annuation Fund

I. Approved Super Annuation Fund



Interest

Exempt

- Earlier

provision







Lumpsum amount received on retirement

Exempt u/s 10(13)

AGGREGATE of EMPLOYER'S Contribution to any of the following accounts in EXCESS of Rs. 7.5 Lacs is considered a Perguisite:i) RECOGNISED Provident Fund;

ii) NPS referred to u/s 80CCD(1); AND iii) APPROVED Superannuation Fund

II. Unapproved Super Annuation Fund

Same treatment as Unrecognized Provident Fund

INCOME FROM SALARY

13. Retrenchment compensation

Exempt u/s 10(10B)

Exempt amount:

- Compensation as per Industrial Dispute Act i.
- ii. Maximum of Rs 5,00,000

Avg salary Compensation as IDA = 15/26 X of last 3 X

months

No of years of completion of service (if fraction is > 6 months = round off)

Salary = Basic + DA(T) + Turnover commission



14. Perguisites - Section 17(2) r.w. Rule 3



Employer



Non-monetary benefits (Personal in nature)



Employe

Perquisite means benefits or facility provided by employer to the employee

Provision under NEW sub-clause (viia) to Section 17(2):-

IF any Employer's Contribution to a fund becomes a perquisite in the hands of Employee u/s 17(2)(vii) (contribution exceeded 7.5 Lacs), Annual Accretion on SUCH Amount by way of "Interest, Dividend or any other amount of similar nature" during the PY shall be considered as a Perquisite in the hands of employee u/s 17(2)(viia)

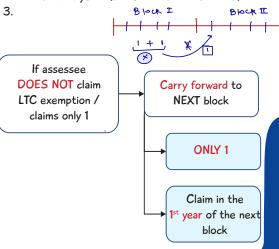
| i. Leave Travel Concession (LTC) 👰 Q 🕽 📵 229 | | |
|--|--|----|
| MODE | EXEMPT | |
| AIR . | Actual Exp XX Economy class fare XX | • |
| Any other mode | | |
| 1. Rail service is available | 1. Actual Exp ≉KXX 2. 1st class fare 9K XX | 9k |
| ° [∆] ♥ | | |
| 2. Rail service is NOT available | | |
| i. Recognized <u>public transport</u> is available | 1. Actual Exp XX | |
| | 2. Deluxe class bus fare XX | |
| ii. No recognized public transport is | 1. Actual Exp XX | |
| available | 2. 1st class Railway | |
| | fare of similar | |
| | distance XX | |

Travel only within India

Note: Exemption is available in Old Scheme Only

Notes:

- LTC exemption is available for the travel of employee, his spouse, children* & dependent relative- (Mother, Father, Brother, Sister)
 *Exemption of LTC is available only for 2 children born on or after 1/10/1998.
 - i) 1st time= 1 child 2nd time= Twins
 Total 3 children = Exemption Allowed to all 3 children.
 - ii) 1st time= Twins 2nd time= 1 child Total 3 children= Exemption Allowed to only 2 children
- 2. LTC exemption is available for <u>2 years</u> during the block of 4 years (current block is 2022-25)



ii. Medical Facility @ (1) a. Treatment in India a. Treatment o/s India i) Treatment in Hospital maintained by Govt Benefit of Medical Treatment Otherwise Benefit of ii) Treatment in Employer's (Refer pt 2 below) stay Travel Own Hospital iii) Treatment in Govt. Recognised Hospital Exempt - ONLY to It is fully exempt if GTI is the extent of limit up to Rs. 2,00,000 ELSE it Fully Exempt Fully Taxable permitted by RBI is fully Taxable

Notes:

- 1. Medical allowance → FULLY TAXABLE
- 1. Medical insurance premium is **FULLY EXEMPT**
- 2. Exemption for treatment is allowed for Employee, Spouse, Children & Dependent Relative (Mother, Father, Brother, Sister)
 - . Exemption of stay & Travel is allowed only for one patient & one attendant

Employee to submit certain documents to employer

- (1) Covid-19 +ve report
- (2) All necessary document relating to
 - → Medical treatment of employee/family member for → covid-19
 - → Illness related to Covid-19→suffered

< 6 months from the date of being Covid +ve

(3) A certificate of all the expenditure expediture.



iii. Loan given by employer to employee at concessional rates of interest or without rate of interest

Taxable amount = Loan amount * (SBI Interest rate — Actual interest rate)

Notes

 If Loan amount is upto Rs 20,000 THEN interest benefit not taxable

- ii. If loan taken for treatment of specified disease then interest benefit is not taxable even if the loan amount is more than Rs 20.000
- iii. Consider the outstanding loan amount on the last day of each month

iv. Gift

- In cash = Taxable
- In kind = FMV will be Taxable If < Rs 5,000 p.a. Exempt

v. ESOP - Co offers shares to employee at concessional rates

Perquisite = FMV on Exercise Date - Amount Paid by Employee.
 Taxable in year of Allotment of Shares.

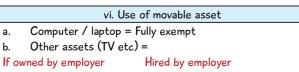
Note: Sale of shares COA = FMV on Exercise Date [Sec 49(2AA)].

Example for better understanding

Question - Housing loan @ 6% per annum. Amount outstanding on 14.2021 is 6,00,000. Mr Kala pays 12,000 per month towards principal, on 5th of each month. Lending rate of SBI as on 1/04/2021 for housing loan may be taken as 10%.

Answer - The perquisite value for computation is 10% - 6% = 4%

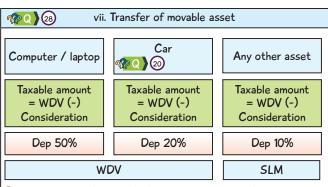
| Month | Maximum outstanding balance as on the last day of the month | Perquisite value @ 4% for the month |
|----------------|---|-------------------------------------|
| April 2021 | 5,88,000 × 47· × '/12 | 1960 |
| May 2021 | 5,76,000 ×47.×1112 | 1920 |
| June 2021 | 5,64,000 \$47. \$1112 | 1880 |
| July 2021 | 5,52,000 メソ・メリン | 1840 |
| August 2021 | 540,000 火41/2 | 1800 |
| September 2021 | 5,28,000 × 47· × '/12 | 1,760 |
| October 2021 | 5,16,000 × 47. ×1/12 | 1720 |
| November 2021 | 5,04,000 ×47. ×1112 | 1680 |
| December 2021 | 4,92,000 x y y x y 2 | 1640 |
| January 2022 | 4,80,000 x 4 1. x 1/2 | 1600 |
| February 2022 | 4,68,000 x y y · x 1/2 | 1560 |
| March 2022 | 4,56,000 ×41.×112 | 1520 |
| Total value | of this perquisite | 20,880 |



Taxable amount = 10% of cost

Taxable amount = Hire charges paid by

employer



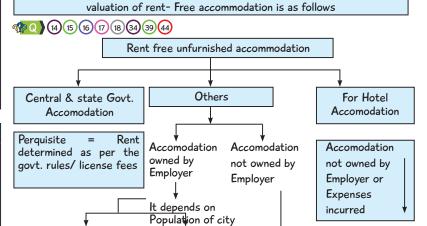
Depreciation should be calculated for every completed year and ${\color{red} \underline{\mathsf{not}}}\ {\color{red} \mathsf{FY}}\ {\color{red} \mathsf{wise}}$

viii. Lunch facility

Exempt upto Rs 50 per meal, if lunch is provided in office premises or through paid voucher

Note-

- 1. Tea, coffee, breakfast provided in office NOT taxable
- 2. Lunch provided in remote area NOT taxable
- Exemption of free food (Upto Rs. 50) is not available in new tax regime.



ix. Rent-free / concessional unfurnished accommodation The method of

| | | | | <u> </u> |
|------------|-----------------|------------|----------------|---------------|
| Population | upto 31/8/23 | Population | from 1/9/23 | upto 1/9/23 |
| Upto 10 | 7.5% of salary | Less than | 5% of | Perquisite |
| Lakhs | | 15 Lakhs | salary | = 15% of sala |
| 10 Lakh to | 10% of | 15 Lakh to | 7.5% of salary | or |
| 25 Lakh | salary | 40 Lakh | | Lease Rent |
| Above 25 | 15% of | Above 40 | 10% of | |
| Lakh | salary | Lakh | salary | |

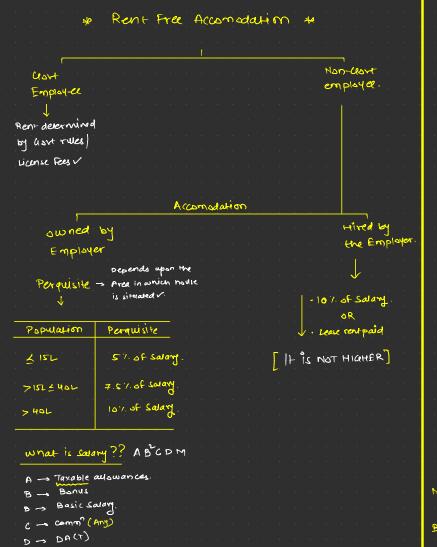
Perquisite
= 15% of salary
or
Lease Rent
V

Perquisite
= 10% of
salary
or
Lease Rent
V

from 1/9/23

Notes:

- 1. Meaning of salary [A B2 C D M]
 - A Taxable Allowances
 - B Basic salary B Bonus
 - C Commission



M - other Monetary income other than perguisites

Important Notes

Taxable perq. will be computed only for that period for which the house was given on Rent to the employee.

eg - If Flor hal given AFA to the employee from 1/4/2024 HII 31/7/2024 then perq. i.e. salary will be computed only for period of 4 months. Perg = 51/7,51/101 × salary

Sometimes the employer provides another RFA (i.e.

the second RFA) in same different city, then ideally Perg For both the houses should be computed -But your has given on exemption on the computation of perg for the 2" house to the extent of First 90 days

Mum HP 365 days. Barg. HP 90 days

120 days

o If the house is given by Eler - Elee of RFA for more than I year, then RFA will be as follows:

[F423-24] Year 1 -> calany -> 7 [5,00,000

House - swined by Eler in Mumbai.

Perawsite = 10% of \$152

[F424.85] Year 2 -> solary -> = >5/00/000

Here my taxable pera is totally based on salary value of House is not related to taxable pera.

Thus, RFA will be computed using indexation.

cost Inflation Index.

FY 23-24 348

Fy 24-25 363

Fy 24-8 - Perq. -> 1,50,000 $\times \frac{263}{348}$ 348 -> 1,50,000 -> 1,56,466

· what furniture is also given on Rent alongwith house.

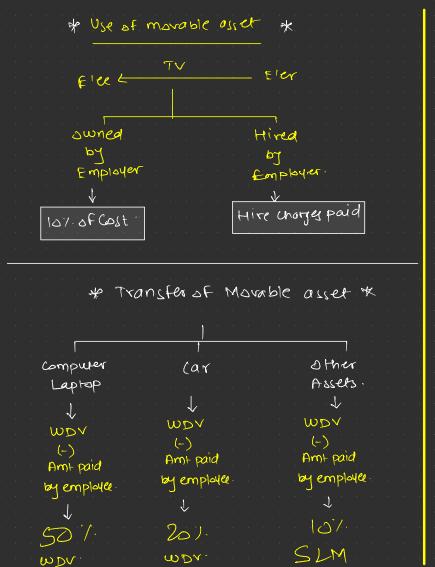
Treat this of use of movable asset

owned by third by

Fier Fier

10% of cost Hire charges paid

can faulity



4 Dep" to be computed not FY wise but date to late. Lap top transferred 717/24 1aptop- 2L on 1/2/21 E'er E'a 1/2/21 - 7/4/04. 天15,000 Actual cost 2,00,000 1/2/21-31/1/22 (1,00,000) (۲۰۵۲) WDV 31/12 1 2 22 - 31 1 23 (000,02) WDV 31/1/23 60,000 1/2/23-31/124 (25,000) WDV 3/1/24 25,000 31/1/24-7/7/24 [Nodep] wov on the date of Transfer N 1000. to employee. (-) Employee paid (مصحر)ا) Total perquisite on 10,000 transfer of laptop

D - DA (in terms)

M - Other monetary income excluding perquisites Perquisites should not be considered

- ABCDM should be calculated on due basis. Advance salary, arrears of salary should be ignored
- For computing ABCDM, retirement benefits should not be considered i.e. gratuity, Pension, leave salary, VRS, Retrenchment compensation etc.
- 5. ABCDM should be considered at the time for which assessee had occupied such house.
- Employer contribution towards PF & interest on PF should also be not considered.
- If employee is provided with accommodation [on his transfer from one place to another], at the new place of posting while retaining the accommodation at the other place, the taxable amount shall be determined only for one accommodation which has the lower perquisite value, for a period upto 90 days and thereafter, the value of perquisite shall be charged for both such accommodations. (Imp)
- Where accommodation is provided to the same employee for more than one PY, the value of perquisite shall not exceed the amount so calculated for first PY, as multiplied by amount which is a ratio of the

CII (cost inflation index) for PY for which the value is calculated and CII for the previous year in which the accommodation was initially provided to the employee. (Imp)

"First PY" means P.Y. 2023-24 or PY in which the accommodation was provided to the employee, whichever is later.

x. Hotel benefit / Accommodation benefit

Taxable amount =

24% of salary (ABCDM)

- Hire / rent charges paid by employer
- If hotel facility is provided at the time of transfer of employee & if it is upto 15 days, then it is not 1.
- 2. In house facility & hotel facility if employer recover any rent from employee then such rent should be deducted from above taxable amount.

xi. Car facility @ Q 33

I. Car used for office purpose only — Fully exempt Employer to maintain all the records of each journey and employer issues a certificate that the car is used exclusively for office purpose

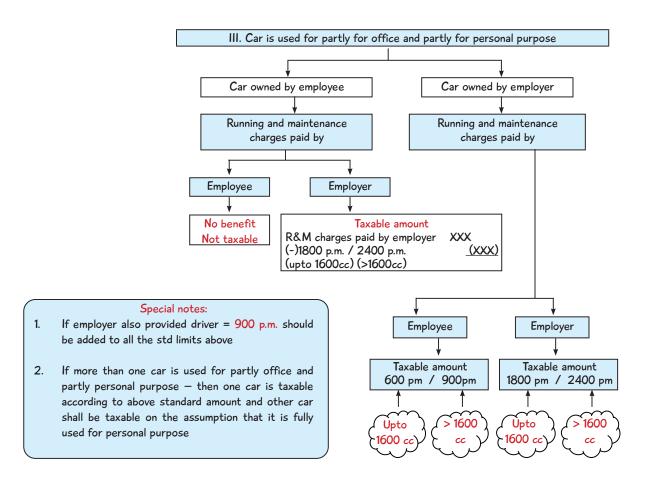
II. Car is used for fully personal Car is owned by Employer = 10% of cost OR

Hired by employer = Hire charges paid by employer

Driver's salary (if paid by employer) = XXX

Running and maintaining charges = (If paid by employer)

XXX



xii. Transport facility for transport employee (free tickets)

- For airlines & railway employee Airlines & Railway facility is fully EXEMPT
- For other employees It is fully TAXABLE

xiii. Education facility

- i. For employee Fully EXEMPT
- ii. For children It is exempt if value of education is upto 1000 p.m. per child & education is provided in employer's own institution or institution where employer have tie-ups, otherwise fully taxable.
- For other relatives Fully TAXABLE.

xiv. Gas, Electricity & water supply = FULLY taxable

xv. Free servant = FULLY taxable

xvi. Any other perquisite = FULLY taxable

Following perquisites are fully exempt: Telephone / mobile bill paid or reimbursed by Employer.

Scholarship to employees children.

Goods sold by employer to employee at reasonable price. Tax on Non - monetary perquisites paid by employer.

15. Professional Tax QQQ 42

It means tax on employment.

If it is paid by employer on behalf of employee, then first it should be taxable and there after deduction allowed u/s 16.

If it is paid by employee then only deduction is allowed.

MCQs Point: SG cannot impose profession tax > 2,500 p.a.

16. Entertainment allowance only for Govt. employees Q Q 32 36 41

It is fully taxable for all employees. But deduction is allowed to government employees u/s 16 as follows:

- i. 20% of basic salary
- ii. Actual amount received
- iii. Maximum Rs 5,000

17. Standard deduction of Rs 75,000 or the amount of salary, whichever is LOWER



CONCEPT - Pay scale

Example – Mr Amit joined railways as on 1/6/2011 on a pay scale of 10,000 - 1,000 - 12,000 - 2000 - 18,000 - 3000. Compute salary for AY 2015-16

| 1/6/2011 to 31/5/2012 | 10,000 |
|-----------------------|--------|
| 1/6/2012 to 31/5/2013 | 11,000 |
| 1/6/2013 to 31/5/2014 | 12,000 |
| 1/6/2014 to 31/5/2015 | 14,000 |

Salary for FY 2014-15 = (12000*2) + (14000*10) = Rs 1,64,000

Note: Deduction for Entertainment Allowance & Professional Tax is available only in Old Scheme. Standard deduction is allowed in both tax regime.

Valuation of a "Specified Securities & Sweat Equity Shares" taxable u/s 17(2)(vi)] @ Q 2

GENERAL RULE - Tax on perquisite of Specified Securities and Sweat Equity Shares is required to be paid IN THE YEAR of Exercise of Option.

However, where such shares/securities are allotted BY the "Current employer, being an eligible startup referred to u/s 80-IAC", the perquisite will be taxable by the EARLIEST of the following Years:-

- i. Year AFTER the Expiry of 48 months from the END of the Relevant AY;
- ii. Year of the SALE of such "specified security or sweat equity share" by the assessee; OR
- iii. Year in which the assessee CEASES to be the employee of the "employer who allotted or transferred him such specified security or sweat equity share"

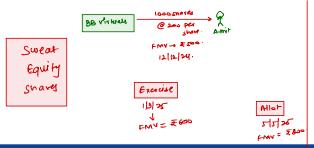


Consequential Provision:-

As per Section 191(2) - IF the income of employee includes perquisite taxable u/s 17(2)(vi) AND such shares/securities are allotted BY the "Current employer, being an eligible startup referred to u/s 80-IAC",

THEN, Income tax on such income has to be PAID by him WITHIN 14 Days from EARLIEST of the following dates:-

- i. Expiry of 48 months from the END of the Relevant AY;
- ii. Date of the SALE of such "specified security or sweat equity share" by the assessee; OR
- iii. Date of the assessee CEASING to be the employee of the "employer who allotted or transferred him such specified security or sweat equity share"





INCOME FROM SALARY

| Section 17(2)(vii) | Employer's contribution towards RPF, NPS referred u/s 80CCD, Approved Super annulation Fund (ASF) > Rs |
|--------------------|--|
| | 7,50,000 is treated as perquisite in hands of Employee. |

| Section 17(2)(viia) | Annual Accretion by way of Interest/dividend/similar interest on contribution of > Rs 7,50,000 by employer also |
|---------------------|---|
| | treated as perquisite in hands of employee. |



Calculation of Annual Accretion of Interest, dividend etc in PY

TP = (PC/2)*R + (PC1 + TP1)*R



| TP | Taxable perquisite under section 17(2)(viia) for the current previous year |
|------|---|
| PC | Employer's contribution > 7.5 lakh to RPF, NPS u/s 80CCD and ASF during the PY |
| PC1 | Employer's contribution > 7.5 lakh to RPF, NPS u/s 80CCD and ASF for the previous year or years commencing on or after 1 April, |
| | 2020 other than the current previous year |
| TP1 | Aggregate of taxable perquisite under section 17(2)(viia) for the previous year or years commencing on or after 1 April, 2020 other |
| | than the current previous year |
| R | I / Favg |
| - 1 | Amounts of income accrued during the current previous year in RPF, NPS u/s 80CCD and ASF |
| Favg | (Balance to the credit of RPF, NPS u/s 80CCD and ASF on 1/04/2021+ Balance to the credit of RPF, NPS u/s 80CCD and ASF |
| | 31/03/2022) |





IMPORTANT

Mr. Sunil is the CEO of Sheetal Textiles Ltd.

- His basic salary is 6,00,000 p.m.
- He is paid 8% as D.A.
- He contributes 10% of his pay and D.A. towards his RPF and the company contributes the same amount.
- The accumulated balance in RPF as on 14.2020, 31.3.2021 and 31.3.2022 is 50,35,000, 7146,700 and 94,57,700, respectively.

Compute the perquisite value chargeable to tax in the hands of Mr. Sunil u/s 17(2)(vii) and 17(2)(viia) for the A.Y. 2021-22 and A.Y. 2022-23.

Computation of perquisite value taxable u/s 17(2)(vii) and 17(2)(viia) for A.Y. 21-22

- 1. PC = Perquisite value taxable u/s 17(2)(vii) = 7,77,600, being employer's contribution to RPF during the P.Y. 2020-21 (-) 7,50,000 = 27,600
- 2. PC1 = NIL
- TP1 = NIL
- 4. R = I/Favg = 5,56,500 / 60,90,850 = 0.0914 I = 5,56,500 [7146,700 (-) 7,77,600 (-) 7,77,600 (-) 50,35,000] Favg = 50,35,000 + 7146,700 = 60,90,850

Computation of perquisite value taxable u/s 17(2)(vii) and 17(2)(viia) for A.Y. 22-23

- 1. PC = Perquisite value taxable u/s 17(2)(vii) = 7,77,600, being employer's contribution to RPF during the P.Y. 2021-22 (-) 7,50,000 = 27,600
- 2. PC1 = Rs 27,600
- 3. TP1 = Rs 1.261
- 4. R = I/Favg = 7,55,800 / 83,02,200 = 0.0910 I = 7,55,800 [94,57,700 (-) 7,77,600 (-) 7,77,600 (-) 71,46,700] Favg = 71,46,700 + 94,57,700 = 83,02,200

$$TP = (PC/2)*R + (PC1 + TP1)*R$$

$$\downarrow$$
[(27,600/2) x 0.0910] + [27,600 + 1,261]*0.0910
$$\downarrow$$
Rs 3,882