

#### GENERAL PRINCIPLES

**M4. Chintan has the following particulars for AY 2022-23: Business income Rs. 50,000; short term capital gain from.....**

VIA not allowed from winning and LTCG. TI = 2,70,000 – 1,00,000 = 1,70,000

**M5. Chetan, aged 40 years, has the following particulars for AY 2022-23: Income from salary (computed) Rs. 1,00,000.....**

VIA not allowed from LTCG and STCG u/s 111A. LTCG exempt as it is personal effect.

TI = 3,30,000 – 1,30,000 (up to salary + interest) = 2,00,000.

#### DEDUCTION FOR INVESTMENTS (80C, 80CCC, 80CCD)

**M8. During the PY 2021-22, Yaksh made the following payments of life insurance premium: Rs. 15,000 for self (policy.....**

Self up to 20% 15,000 + spouse up to 10% 15,000 + child up to 15% 25,000 + daughter up to 10% 15,000 + father nil = 70,000

**M9. Sushmita, wife of Raju, received Rs. 10,00,000 as payment from insurance company consequent to death of Raju.....**

Payment on death is exempt u/s 10(10D)

**M10. During the PY 2021-22, Drishti contributed Rs. 60,000 to recognized provident fund (her employer made a.....**

60,000 RPF + 40,000 PPF for self and son + 10,000 Sukanya = 1,10,000

**M11. Srishti's income for PY 2021-22 comprised income from house property of Rs. 2,00,000. She invested Rs. 50,000.....**

TI = 2,20,000 – 70,000 80C = 1,50,000

**M12. During the PY 2021-22, Reena incurred the following expenses on education: School fee of Rs. 1 lakh paid for.....**

Tuition fee 75,000 + MBA NO as outside India + Course NO as part time = 75,000

**M14. Rajat took a bank loan on 1.4.2021 to purchase a residential house for self residence on 10.4.2021. He paid stamp.....**

IHP = loss of 2,00,000 due to deduction of interest u/s 24(b).

80C = Duty/fee 20,000 + principal 1,00,000 + repair NO = 1,20,000

**M15. Ramya made the following investments during the PY 2021-22: Her contribution to statutory provident fund.....**

SPF 20,000 + NHB 30,000 + 3Y FD NO as less than 5Y + 5Y FD 30,000 + NABARD 10,000 + POSB NO + 5Y POTD 20,000 + SCSS 10,000 + LIP NO as not paid during PY = 1,20,000

**M16. Private sector employer of Raman, who draws basic salary of Rs. 1,50,000 per month, contributed Rs. 30,000 per.....**

10% of 18 lakh

**M17. Rajesh is a businessman having gross total income of Rs. 6,00,000. During the PY 2021-22, he deposited Rs.....**

TI = 6,00,000 – 1,70,000 (50,000 u/s 80CCD(1B) + 1,20,000 u/s 80CCD(1)) = 4,30,000

**M18. During the PY 2021-22, Rashi, earning salary of Rs. 1,00,000 per month from JKL Pvt Ltd. (Rs. 60,000 basic salary.....**

80CCD salary = Basic 7,20,000 + DA forming part of pay 2,40,000 = 9,60,000.

VIA deduction = 80CCD(1B) 50,000 + 80CCD(2) 96,000 (10% of 9.6 lakh) + 80CCE 1,50,000 = 2,96,000

80CCE = 80CCD(1) 70,000 (i.e., 1,20,000 – 50,000 80CCD(1B); upto 96,000) + 80C 1,00,000 = 1,70,000, upto 1,50,000.

**M19. During the PY 2021-22, Jagan deposited Rs. 2,50,000 in his NPS account (his employer, MMT Ltd, making a.....**

GTI = Basic 6,00,000 + DA 3,60,000 + Medical 1,20,000 + NPS contribution of employer 2,50,000 – Standard Deduction 50,000 = 12,80,000.

80CCD salary = Basic 6,00,000 + DA 2,16,000 = 8,16,000.

VIA deduction = 80CCD(1B) 50,000 + 80CCD(1) 81,600 (2,50,000 – 50,000 80CCD(1B); up to 81,600) + 80CCD(2) 81,600 (up to 10% of 80CCD salary) = 2,13,200.

TI = 12,80,000 – 2,13,200 = 10,66,800.

**M20. Saina is a Central Government employee earning basic salary of Rs. 1,00,000 per month and dearness allowance.....**

80CCD salary = Basic 12,00,000 + DA 9,60,000 = 21,60,000.

80CCD = 80CCD(1B) 50,000 + 80CCD(1) 1,50,000 + 80CCD(2) 3,02,400 (14% of 80CCD salary) = 5,02,400.

80CCD(1) = 3,24,000 contribution – 50,000 80CCD(1B); up to 2,16,000 being 10% of 80CCD salary; but up to 80CCE limit of 1,50,000 = 1,50,000

**M23. Shiny, drawing basic salary of Rs. 1,00,000 per month, contributed Rs. 1,00,000 each to approved superannuation.....**

80CCD salary = 12,00,000.

VIA deduction = 80CCD(1B) 50,000 + 80CCD(2) 1,00,000 (up to 10% of 80CCD salary) + 80CCE 1,50,000 = 3,00,000

80CCE = 80C 1,00,000 ASF + 80CCC 1,00,000 pension fund + 80CCD(1) 50,000 (1,00,000 – 50,000 80CCD(1B); up to 10% of 80CCD salary)] = 2,50,000; up to 1,50,000.

**M24. Gopal, a businessman having gross total income of Rs. 5,00,000, contributed Rs. 1,00,000 each to notified bonds.....**

80CCD(1B) 50,000 + 80CCE 1,50,000 = 2,00,000

80CCE = 80C 1,00,000 NABARD + 80CCC 1,00,000 pension fund + 80CCD(1) 50,000 (1,00,000 – 50,000 80CCD(1B); up to 20% of GTI) = 2,50,000; up to 1,50,000.

#### DEDUCTION FOR HEALTH & WELLNESS (80D, 80DD, 80DDB, 80U)

**M27. Mr. A, a Central Government employee, made the following payments during the year (all by cheque).....**

CGHS 10,000 + Son 5,000 + Brother NO + Spouse health checkup up to 5,000 = 20,000

**M28. Mr. B, age 35 years, made the following payments during the year (all by cheque): Health insurance premium for.....**

FAMILY: Wife 23,000 + Checkup for daughter 4,000 = 27,000 allowed up to 25,000.

PARENTS: father 25,000 (not senior citizen) + mother mediclaim 18,000 + mother exp NO (as mediclaim premium paid) = 43,000.

Total = 68,000

**M29. Mr. C, age 33 years, made the following payments during the year: Mediclaim premium of minor son (dependent).....**

FAMILY: Son NO as in cash + checkup up to 5,000 = 5,000.

PARENTS: mother 20,000 + father (senior citizen) 40,000 = up to 50,000.

Total = 55,000

**M30. Mr. D, resident of age 40 years, made the following payments during the year (all by cheque): Mediclaim.....**

FAMILY: self 35,000 + spouse 10,000 = 25,000.

PARENTS (not senior citizen): father 40,000 + mother 40,000 = 25,000.

Total = 50,000.

**M32. Raghav, resident aged 40 years, incurred expenditure of Rs. 10,000 each for medical treatment of his younger.....**

Only sister entitled. Severe disability deduction of 1,25,000

**M33. Chetan, resident aged 55 years, incurred the following expenditure during the year: Health insurance premium.....**

80D = spouse upto 25,000 + father checkup upto 5,000 = 30,000.

80DD = NIL as father-in-law not eligible.

80DDB = 40,000 (not senior citizen) – 25,000 = 15,000.

Total = 45,000

#### DEDUCTION FOR INTEREST ON LOAN (80E, 80EE, 80EEA, 80EEB)

**M35. Rekha took a loan of Rs. 10,00,000 from a bank for meeting expenditure on education of her husband pursuing.....**

TI = 3,00,000 – 50,000 80E = 2,50,000. 8Y period starts from FY 2015-16.

**M36. Riya took an education loan from a notified financial institution for her spouse (not dependent on her) pursuing.....**

8Y period starts from FY 2014-15. TI = 6L - 80E 3L = 3L.

**M38. Rishabh acquired his first house in Jaipur for own residence. The house was purchased for 46 lakh (SDV Rs.....**

2L u/s 24(b) while computing IHP. No 80EEA as loan sanctioned before 1.4.2019.

**M39. Jacky purchased his first house for Rs. 50 lakh (FMV was Rs. 51 lakh and SDV was Rs. 44 lakh), using loan of Rs.....**

SDV ≤ 45L. Loan sanctioned in PY 2020-21.

GTI = 3,50,000 salary – 2,00,000 IHP (on account of interest u/s 24(b)) = 1,50,000.

TI = 1,50,000 – 1,50,000 80EEA (4,00,000 – 2,00,000 allowed u/s 24(b); up to 1,50,000) = Nil

**M41. Roshan, a resident but not ordinarily resident, took a loan from Dena Bank of Rs. 20 lakh to purchase an electric.....**

80EEB allowed up to 1,50,000.

TI = 1,75,000 – 1,25,000 80EEB (allowed to the extent of IHP; VIA deduction not allowed from winning) = 50,000.

#### DEDUCTION FOR DONATIONS (80G, 80GGA, 80GGB, 80GGGC)

**M46. Rohit donated Rs. 50,000 to National Cultural Fund and Rs. 60,000 to Jawaharlal Nehru Memorial Fund by.....**

NCF 50,000 + JNMF 30,000 + Trust NO as paid by cash = 80,000.

**M47. Kavya made the following donations during the PY 2021-22: Lieutenant Governor's Relief Fund Rs. 30,000 (paid.....**

Donations without qualifying limit: LGRF 30,000 + IGMT 25,000 = 55,000.

Donations with qualifying limit = Family planning 30,000 + IOA NIL (only company can claim) + Charitable institution 40,000 + Mosque NIL as paid in kind = 70,000.

ATI = GTI 7,00,000 – LTCG 1,00,000 – 80C 1,00,000 = 5,00,000. 10% of ATI = 50,000.

80G = 55,000 + 40,000 [Family planning @ 100% 30,000 + 10,000 (50% of 20,000, i.e., 50,000 – 30,000)] = 95,000.

TI = 7,00,000 – 80C 1,00,000 – 80G 95,000 = 5,05,000.

**M48. During the PY 2021-22, Ramit donated Rs. 50,000 to a research association (approved u/s 35) for carrying out.....**

Research Association NIL as in cash + college NIL as not approved + RDF 30,000 + NUPEF 60,000 + Rural Development association 2,000 (cash allowed as does not exceed 2,000) = 92,000.

**M49. During the PY 2021-22, Sarthak, a businessman, incurred Rs. 25,000 by cheque on placing an advertisement in.....**

Disallowed in computing PGBP u/s 37(2B); No deduction u/s 80GGC

**M50. During the PY 2021-22, Raunaq contributed the following amounts to political parties: Rs. 1,500 by cash, Rs.....**

8,000 by cheque allowed. Cash not allowed. Advertisement not allowed.

**M51. During the PY 2021-22, JCB Ltd., an Indian company, contributed Rs. 10,000 in cash to BJP, Rs. 20,000 by cheque.....**

80GGB = BJP NO as paid in cash + Cong 20,000 + Advertisement 30,000 = 50,000

#### DEDUCTION FOR RENT [80GG]

**M53. Shalu, carrying on a business, paid Rs. 10,000 p.m. as rent for furnished accommodation occupied by her in....**

Lower of (a) 60,000, (b) 1,20,000 rent paid – 50,000 (10% of 5,00,000 ATI) = 70,000, (c) 25% of 5,00,000 ATI, ie, 1,25,000 = 60,000.

**M55. Shruti, a salaried employee, pays rent of Rs. 10,000 per month to stay in a house in Delhi. Her employer does not....**

ATI = 12,00,000 GTI – 1,00,000 LTCG – 1,00,000 80CCC = 10,00,000.

80GG = Lower of (a) 60,000, (b) 20,000 (1,20,000 rent paid – 1,00,000 10% of ATI), (c) 25% of ATI 2,50,000 = 20,000.

TI = 12,00,000 – 1,00,000 80CCC – 20,000 80GG = 10,80,000

#### DEDUCTIONS FOR INTEREST INCOME [80TTA, 80TTB]

**M56. Deduction in respect of interest on deposits is allowed up to Rs. 50,000 to....**

U/s 80TTB

**M57. Soumil, aged 50 years, earned Rs. 20,000 as interest on Post Office Savings Bank Account (individual). He has....**

Income included in GTI = 20,000 – 3,500 exempt u/s 10 = 16,500. TI = 16,500 – 10,000 u/s 80TTA = 6,500

**M58. During the PY 2021-22, Raja, a non-resident aged 61 years, deposited Rs. 1,00,000 in 5 year Post Office Time....**

TI = 3,00,000 GTI – 80C for 5Y POTD 1,00,000 – 9,500 80TTA (not senior citizen) (POSA 3,500 (after exemption of 3,500) + SBI savings a/c 6,000 + FD Nil) = 1,90,500

**M59. During the PY 2021-22, Virat, a resident aged 62 years, earned the following incomes: Income from house....**

GTI = IHP 3,00,000 + FD interest 20,000 + coop bank interest 10,000 + PPF interest exempt + RD interest 25,000 + POSA interest 10,000 (13,500 – 3,500 exempt) = 3,65,000.

TI = 3,65,000 – 50,000 u/s 80TTB (FD 20,000 + coop SB A/c 10,000 + RD 25,000 + POSA 10,000; upto 50,000) = 3,15,000

**M59a. During the PY 2021-22, Mr. Z, a resident aged 65 years, has earned interest of Rs. 15,000 from savings bank....**

80TTB = 15,000 + 10,000 = 25,000. NBFC interest not eligible.

#### DEDUCTIONS FOR CERTAIN OTHER INCOMES [80JJAA, 80QQB, 80RRB]

**M62. Janak started a new transport business on 1.4.2021. Turnover of business for PY 2021-22 was Rs. 1.5 crore and....**

44AB limit is 1Cr. Tax Audit applies. 80JJAA available.

Additional employees = 5 – 1 (30k salary) – 1 (resigned; < 240D) – 1 (no RPF) = 2. AEC = 2 × 25,000 × 11 = 5,50,000.

80JJAA @ 30% = 1,65,000.

Cash payment is not a bar for first year of new business.

**M63. Josh carried on business of footwear manufacturing having 20 employees as on 31.3.2021. The business was liable....**

Net addition = 5 - 2 = 3. Appointment on 1.10.2021 not eligible as > 25,000 p.m.

AEC = 3 × 20,000 × 10 = 6,00,000. 80JJAA @ 30% = 1,80,000

**M65. Sarthak, a resident individual, is a professional author of artistic books. During the PY 2021-22, he earned royalty....**

Royalty = 4L. Royalty ignoring excess of 15% = 3L.

Repatriated by 30.9.2022 = 3.2L.

80QQB is lower of eligible amount of 3L or limit of 3L = 3L.

**M66. Rukmi, a resident of age 35 years, wrote a book on ancient art and received a lump sum payment of Rs. 4,00,000....**

80QCB is lower of 4,00,000 or 3,00,000 = 3,00,000.

**M67. Ramkumar, a resident of age 55 years and a scientist, received royalty of Rs. 1.5 lakh each from a foreign.....**

60% of 4,50,000 = 2,70,000. 80RRB = lower of 2,70,000 or 3,00,000.