

TAXBOOK⁺

Working steps of solutions

B11 to B20

Deductions from GTI

Build Your Confidence (BYC)

B11. 80DD – Compute the total income of Surendra, a resident individual, for the AY 2022-23 on basis of following.....

Computation of total income for AY 2022-23

Particulars	A	B
Gross total income (Income from salary)	6,00,000	6,00,000
Less: Deductions under Chapter VIA:		
• U/s 80C in respect of life insurance premium: Up to 10% of sum assured.	(20,000)	(20,000)
• U/s 80CCC for deposit in pension fund of LIC	(50,000)	(50,000)
• U/s 80D for mediclaim premium for father who is senior citizen: Max Rs. 50,000	(30,000)	(30,000)
• U/s 80DD for deposit in scheme of LIC for handicapped grandfather – Grandfather not covered	-	-
• U/s 80DD for medical treatment and deposit in scheme of LIC for elder brother – It is a case of disability (65%)	(75,000)	-
Total income	4,25,000	5,00,000

B12. 80U – Compute the total income of Shyam for the AY 2022-23 on basis of following particulars. He suffers from a.....

Computation of total income for AY 2022-23

Particulars	Rs.
Dividend from companies	1,00,000
Long term capital gain on sale of shares	50,000
Gross total income	1,50,000
Less: Deductions under Chapter VIA: Deduction u/s 80U (for severe disability) of Rs. 1,25,000: Restricted to GTI excluding LTCG	(1,00,000)
Total income	50,000

B13. 80DDB – Compute the deduction available to Shamli, a resident individual, u/s 80DDB for the AY 2022-23. She has.....

Computation of deduction u/s 80DDB for AY 2022-23

Particulars	A	B
Deduction available u/s 80DDB = Expenditure incurred up to maximum of Rs. 40,000 (Rs. 1,00,000 if father is senior citizen)	40,000	75,000
Less: Insurance claim received	(20,000)	(50,000)
Less: Amount reimbursed by employer (Note: It will not be taxable as perquisite in hands of Shamli u/s 17(2), proviso, since treatment is in Government hospital (refer para 47))	(15,000)	(30,000)
Deduction u/s 80DDB	5,000	Nil

DEDUCTION FOR INTEREST ON LOAN

B14. 80E – Compute the deduction allowable u/s 80E to Sonu for the AY 2022-23 from the following particulars.....

Computation of deduction u/s 80E for AY 2022-23

Particulars	Rs.
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Loan I: Deduction allowed of interest paid	20,000
Loan II: 8 PYs starting from PY 2013-14, being the first year of payment of interest, expired with PY 2020-21. Hence, no deduction.	-
Loan III: Deduction not available on loan taken for both	-
Deduction u/s 80E	20,000

B15. 80EEA – Gyan purchased a residential house property on 1.3.2021 for Rs. 49 lakh (fair market value Rs. 50 lakh) by....

Computation of total income of Gyan for AY 2022-23

Particulars	A	B
Income from salary	5,00,000	5,00,000
Less: Loss from house property set off u/s 71: Interest deduction u/s 24(b) up to Rs. 2 lakh for self occupied property	(2,00,000)	(2,00,000)
Gross total income	3,00,000	3,00,000
Less: Deductions under Chapter VIA:		
• U/s 80C on account of repayment of housing loan up to limit of Rs. 1,50,000	(1,50,000)	(1,50,000)
• U/s 80EEA on account of interest on housing loan (3 lakh – 2 lakh claimed u/s 24(b)) up to limit of Rs. 1,50,000. Not allowed in case B since SDV > 45 lakh and loan is not taken from a bank or HFC.	(1,00,000)	-
Total income	50,000	1,50,000

B16. 80EEB – Gyani purchased an electric vehicle for Rs. 20 lakh. Compute the deduction allowable u/s 80EEB for....

Particulars	Deduction u/s 80EEB
Case A: Loan sanctioned before PY 2019-20. Deduction not available.	Nil
Case B: Loan sanctioned by bank during PY 2019-20. Interest for PY 2021-22 is Rs. 2 lakh. Deduction available up to Rs. 1,50,000	1,50,000

DEDUCTION FOR DONATIONS

B17. 80G – From the following particulars provided by Ram for the AY 2022-23, compute his total income.....

Computation of total income of Ram for AY 2022-23

Particulars	Rs.
Business income	6,00,000
Long term capital gain	1,00,000
Gross total income	7,00,000
Less: Deduction under Chapter VIA:	
• U/s 80C for deposit in PPF	(1,50,000)
• U/s 80G (Note)	(1,17,500)
Total income	4,32,500

Note:

Particulars	Rs.
Donations eligible for deduction without qualifying limit	
• PM National Relief Fund @ 100%	50,000
• Zila Saksharta Samiti @ 100% - Not eligible since it exceeds Rs. 2,000 and is paid in cash	-
• Rajiv Gandhi Foundation @ 50%	30,000
(A)	80,000
Donations eligible for deduction subject to qualifying limit	
Eligible donations:	
• Donation to Government for promoting family planning	30,000
• Indian Olympic Association (not eligible since assessee not a company)	-
• Charitable trust	30,000
• Rice bags to notified temple (donation in kind not eligible)	-

	60,000
Adjusted total income:	
• Gross total income	7,00,000
• Less: LTCG	(1,00,000)
• Less: Deductions under Chapter VIA (except section 80G): Deduction u/s 80C	(1,50,000)
	4,50,000
Qualifying limit = 10% of Adjusted Total Income	45,000
Lower of amount of eligible donations (60,000) or qualifying amount (45,000)	45,000
Deduction allowed:	
• Government for promoting family planning @ 100%	30,000
• Charitable trust @ 50% of Rs. 15,000 (45,000 – 30,000)	7,500
(B)	37,500
Total deduction u/s 80G = A + B	1,17,500

B18. 80GGA/80GGC - From the following particulars, compute the total income for the AY 2022-23 of Mr. C if (A) his.....

Computation of total income of Mr. C for AY 2022-23

Particulars	A	B
Income from salary (computed)		6,00,000
Income from business	6,00,000	-
Less: Donation to JKL College u/s 35(1)(ii)	(15,000)	-
Less: Donation to Rural Development Fund u/s 35CCA	(10,000)	-
	5,75,000	-
Gross total income	5,75,000	6,00,000
Less: Deductions under Chapter VIA:		
• U/s 80G: 100% of donation to PM CARES Fund. Donation to Indira Gandhi Memorial Trust by cash exceeding 2,000 not eligible.	(50,000)	(50,000)
• U/s 80GGA: Donation to JKL College and Rural Development Fund	-	(25,000)
• U/s 80GGC: Donation to local political party and HJP. Donation in cash not eligible	(12,000)	(12,000)
Total income	5,13,000	5,13,000

DEDUCTION FOR RENT

B19. 80GG – MASTER QUESTION - Compute the total income of Jogi for AY 2022-23 from the following particulars.....

Computation of total income of Jogi for AY 2022-23

Particulars	A	B
Income from salary (computed) from XYZ Pvt. Ltd.	6,00,000	-
Income from profession (computed)	-	6,00,000
Short term capital gain from sale of gold	50,000	50,000
Short term capital gain from sale of equity shares (STT paid on purchase and sale)	40,000	40,000
Long term capital gain from sale of plot of land	1,00,000	1,00,000
Gross total income	7,90,000	7,90,000
Less: Deduction under Chapter VIA:		
• U/s 80C & 80CCC: Deposit in PPF account of child and LIC pension fund; allowed up to Rs. 1,50,000 u/s 80CCE.	(1,50,000)	(1,50,000)
• U/s 80D: Mediclaim premium for self; allowed up to Rs. 25,000	(25,000)	(25,000)
• U/s 80G: Donation to Swachh Bharat Kosh; allowed @ 100% without any qualifying limit	(30,000)	(3,00,000)
• U/s 80GG: See note	(60,000)	(43,750)
Total income	5,25,000	2,71,250

Note:

Particulars	A	B
Jogi is entitled to deduction u/s 80GG for rent paid for own residence in Kochi as he is not in receipt of HRA, he or his spouse do not own residential house in Kochi and he does not own any		

residential house at any other place which is assessed as self occupied property.		
Adjusted total income:		
• Gross total income	7,90,000	7,90,000
• Less: STCG from sale of equity shares (STT paid on purchase and sale) u/s 111A	(40,000)	(40,000)
• Less: LTCG from sale of plot of land u/s 112	(1,00,000)	(1,00,000)
• Less: Deductions under Chapter VIA (except section 80GG): Deduction u/s 80C, 80CCC, 80D, 80G	(2,05,000)	(4,75,000)
	4,45,000	1,75,000
Deduction u/s 80GG = Lower of:		
(a) Rs. 5,000 per month	60,000	60,000
(b) Rent paid – 10% of ATI = 1,95,500 for A (2,40,000 – 44,500) and 1,02,500 for B (1,20,000 – 17,500)	1,95,500	1,02,500
(c) 25% of ATI	1,11,250	43,750
Deduction u/s 80GG	60,000	43,750

DEDUCTIONS FOR INTEREST INCOME

B20. 80TTA, 80TTB – Compute the total income of Mr. Jain for AY 2022-23 from the following particulars. All figures are.....

Computation of total income of Mr. Jain for AY 2022-23

Particulars	A		B	
Income under the head 'Salary' (computed)		1,00,000		1,00,000
Income from house property		1,00,000		-
Income from other sources:				
• Interest on savings bank account (individual) with post office (less Rs. 3,500 exempt u/s 10)	15,000		15,000	
• Interest on Recurring Deposit with co-operative bank	10,000		10,000	
• Interest on fixed deposit with State Bank of India	30,000		30,000	
• Income from gambling	2,45,000	3,00,000	2,45,000	3,00,000
Gross total income		5,00,000		4,00,000
Less: Deduction under Chapter VIA:				
• U/s 80C: Deposit in PPF account and notified NABARD bonds (restricted to Rs. 1,50,000)	1,50,000		1,50,000	
• Deduction u/s 80TTA in case A: Eligible interest = POSB = Rs. 15,000 on POSB A/c. Deduction limited to Rs. 10,000.	10,000			
• Deduction u/s 80TTB in case B: Eligible interest = POSB + RD + FD = Rs. 55,000. Deduction limited to Rs. 50,000.			50,000	
Deduction u/c Chapter VIA restricted to GTI (excluding income from gambling)	1,60,000	(1,60,000)	2,00,000	(1,00,000)
Total income		3,40,000		3,00,000