

TAXBOOK⁺

Working steps of solutions

Incomes not part of Total Income

Build Your Confidence (BYC)

AGRICULTURAL INCOME

B1. MASTER QUESTION - Are the following incomes exempt from tax as agricultural income?

#	Income	Exempt?	Comment
1	Rent of Rs. 3 lakh from land situated in Rajasthan which is used for growing paddy.	Yes	Rent from agricultural land in India
2	Income of Rs. 10 lakh from sale of urban agricultural land situated in Assam.	No	Taxable as capital gains.
3	Income from growing flowers and herbs	Yes	-
4	Income from sale of butter and cheese made using milk of cattle located on agricultural land	No	No operations on land
5	Income from poultry farming	No	No operations on land
6	Suraj produces cotton in his fields and uses it as raw material to make clothes for sale in the market.	Partly	Partly agricultural and partly business income. Apportionment will be done to arrive at exempt agricultural income and taxable business income.
7	Das grows tobacco which he first dries and then takes to the market for being sold.	Yes	Process is ordinarily employed to render the produce fit to be taken to the market (compulsory process).
8	Rama carries on the activity of growing sugarcane on her farm land situated in a rural area. She has a store house adjacent to the farm land where she stores sugarcane before taking to the market for being sold.	Yes	Building used for agriculture and it is not situated in urban area.
9	Jane owns a building situated on land which she uses to cultivate crops. The building is used for storing cans of milk used in the dairy business that she carries on. Income from dairy business is Rs. 4 lakh.	No	Building not used for agriculture by Jane.

B2. CA2017(M) – Discuss with brief reasons, whether rent received for letting out agricultural land

Rent – Not exempt since not derived from agriculture.

Sale of seedlings – Exempt since deemed agricultural income, whether or not any basic operations are carried out on land.

B2a. CA2021(JAN) - Discuss the taxability of the following transaction giving reasons, in light of relevant provisions, for....

Rajpal receives rent from land situated in India and used for agricultural purposes. It is agricultural income u/s 2(1A).

Ownership of land is not necessary. Expenditure incurred in relation to exempt income is not deductible u/s 14A (para 31).

B2b. CA2021(JAN) - Discuss the taxability of the following transaction giving reasons, in light of relevant provisions, for.....

Income from any process ordinarily employed to render the produce fit to be taken to the market (compulsory process) is agricultural income. This may involve both manual and mechanical operations. Thus, income entire income is exempt.

B3. CA2016(N) – MASTER QUESTION - Mr. Kamal grows paddy and uses the same for the purpose of

Particulars	Business income	Agricultural income
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	Rs.	Rs.	Rs.
SALE OF RICE			
Business income:			
Sale proceeds of rice	30,00,000		
Less : Market value of paddy used as raw material (60%)	(-) 24,00,000		
Less: Manufacturing expenses	(-) 2,00,000		
Agricultural income:			
Market value of paddy (60%)		24,00,000	
Less : Cost of cultivation		(-) 12,00,000	
Balance			12,00,000
SALE OF PADDY			
Sale proceeds of paddy produce (40%)		15,00,000	
Less : Cost of cultivation		(-) 7,00,000	
Balance			8,00,000
Total	4,00,000		20,00,000

B4. CA2018(M) - Miss Kavita, a ROR in India, has derived the following income for year ended 31.3.2022.

Particulars	Rs.	Business income	Agricultural income	Comment
Income from sale of centrifuged latex processed from rubber plants grown in Darjeeling	1,00,000	35,000	65,000	35:65 apportioned u/r 7A
Income from sale of coffee grown and cured in Yercaud, Tamil Nadu	2,00,000	50,000	1,50,000	25:75 apportioned u/r 7B
Income from sale of coffee grown, cured, roasted and grounded in Colombo. Sale consideration received in Chennai.	5,00,000	5,00,000	-	Rule 7B applies when operations in India.
Income from sale of tea grown and manufactured in Shimla	10,00,000	4,00,000	6,00,000	40:60 apportioned u/r 8
Income from sapling and seedling grown in a nursery at Cochin. Basic operations are not carried out on land.	2,00,000	-	2,00,000	Deemed to be agricultural income
Total	20,00,000	9,85,000	10,15,000	

Mistakes made by students – Apportioned 5 lakh though R. 7B is not applicable. No reasoning for exempting income from sapling and seedling.

B5. Mr. Rose sells tea grown and manufactured by him in Darjeeling, West Bengal.

Total income comprises agricultural income and business income.

Particular	Rs.
Rule 8 applies?	Yes
Sale proceeds of tea	30,00,000
Less: Cost of growing tea leaves	(10,00,000)
Less: Cost of manufacturing tea	(15,00,000)
Business income (before apportionment)	5,00,000
Less: Agricultural income (60% exempt under Rule 8)	(3,00,000)
Business income (40% Taxable)	2,00,000

B6. Examine whether the following incomes are chargeable to tax, and if so, compute the amount liable to tax.

#	Income	Taxable?	Comment
1	Agricultural income of Rs. 1,27,000 earned by a resident of India from a land situated in Malaysia	Yes	Land not situated in India. Taxable assuming assessee is ROR.
2	CA2013(N) - Rent of Rs. 72,000 received for letting out agricultural land for a movie shooting	Yes	Land not put to agricultural use. Taxable.
3	Sale proceeds of raw tea leaves of Rs. 2 lakh. Cultivation	No	Agricultural income. R. 8 does not apply.

expenses of Rs. 50,000.

B7. CA2018(M) – MASTER QUESTION - Mr. Avani, a resident aged 25 years, manufactures tea leaves from

Computation of total income	Rs.
Rule 8 applies?	Yes
Sale proceeds of tea	40,00,000
Less: Cost of growing tea plants	(15,00,000)
Less: Cost of manufacturing	(10,00,000)
Business income (before apportionment)	15,00,000
Less: Agricultural income (60% exempt under Rule 8)	(9,00,000)
Business income (40% Taxable)	6,00,000

Computation of tax liability	Rs.	Rs.
Net agricultural income	9,00,000	
Non-agricultural income (total income)	6,00,000	
Is NAI > 5,000 and TI > 2,50,000?	Yes	
Tax on NAI + TI, i.e., 15,00,000		2,62,500
Less: Tax on NAI + 2,50,000, i.e., 11,50,000		(-) 1,57,500
Tax on total income		1,05,000
HEC @ 4%		4,200
Tax liability		1,09,200

B8. Jagan is a resident and ordinarily resident in India. During the PY 2021-22, he manufactured rubber

Computation of total income	Amount
Rule 7A applies?	Yes
Sale proceeds of rubber	50,00,000
Less: Cost of growing rubber plants	(25,00,000)
Less: Cost of manufacturing rubber	(10,00,000)
Business income (before apportionment)	15,00,000
Less: Agricultural income (65% exempt under Rule 7A)	(9,75,000)
Business income (35% Taxable)	5,25,000

Computation of tax liability	A. He is 34 years of age		B. He is 61 years of age	
Net agricultural income (NAI)	9,75,000		9,75,000	
Non-agricultural income (total income)	5,25,000		5,25,000	
Is NAI > 5,000 and TI > 2,50,000 (A) or 3,00,000 (B)?	Yes		Yes	
Tax on NAI + TI, i.e., 15,00,000		2,62,500		2,60,000
Less: Tax on NAI + 2,50,000, i.e., 12,25,000 (A) OR NAI + 3,00,000, i.e., 12,75,000 (B)		(1,80,000)		(1,92,500)
Tax on total income		82,500		67,500
HEC @ 4%		3,300		2,700
Tax liability		85,800		70,200

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DEDUCTION U/S 10AA

B9. CA2016(M) – Mr. Suresh has set up an undertaking in SEZ (Unit A) and another undertaking in DTA (Unit B.....)

Particulars of SEZ unit	
PY 2021-22 is which year from the year Unit A begins manufacturing?	6 th year
Deduction available?	50% of profits derived from export of unit in SEZ
Profits of the business of Unit in SEZ × (Export Turnover of Unit in SEZ ÷ Total Turnover of Unit in SEZ)	60 lakh × (150 lakh ÷ 180 lakh) = Rs. 50 lakh.
Deduction	Deduction @ 50% = 25 lakh

Deduction is not available in respect of Unit B in DTA.

B10. Softpack Ltd. has furnished the following particulars for year ended 31.3.2022.....

Deduction is 100% of profits derived from export of unit located in SEZ during the first 5 years, beginning with the year in which the unit begins operations. AY 2022-23 falls within this period.

Particulars	Result
PY 2021-22 is which year from the year Unit A commenced operations?	4 th year
Deduction available?	100% of profits derived from export of unit in SEZ
Deduction = Profits of the business of Unit in SEZ × (Export Turnover of Unit in SEZ ÷ Total Turnover of Unit in SEZ)	50 × (100 ÷ 150) = Rs. 33.33 lakh.

No deduction u/s 10AA is allowable in respect of profits of business of Unit B located in DTA.

B11. CA2018(N) – Mrs. Vibha Gupta, a resident individual, is running a SEZ unit as well as a unit in

Particulars of SEZ unit	Situation 1	Situation 2
PY 2021-22 is which year from the year SEZ unit commenced operations?	9 th year	3 rd year
Deduction available?	50% of profits derived from export of unit in SEZ	100% of profits derived from export of unit in SEZ
Profits of the business of Unit in SEZ × (Export Turnover of Unit in SEZ ÷ Total Turnover of Unit in SEZ)	220 lakh × (1,000 lakh ÷ 1,100 lakh) = Rs. 200 lakh.	
Deduction	Deduction @ 50% = 100 lakh	Deduction @ 100% = 200 lakh

No deduction u/s 10AA is allowable in respect of unit located in DTA.

Mistake by students – Did not mention that unit in DTA is not eligible for deduction u/s 10AA.

B12. CA2015(M) – MASTER QUESTION - Rudra Ltd. has one unit in SEZ and other unit in DTA. The

Particulars	Situation 1	Situation 2
PY 2021-22 is which year from the year SEZ unit begins manufacturing?	7 th year	3 rd year
Deduction available?	50% of profits derived from export of unit in SEZ	100% of profits derived from export of unit in SEZ
Total sales of SEZ unit	6 crore – 2 crore = 4 crore	
Export sales	4.6 crore – 1.6 crore = 3 crore	

Net profit	80 lakh – 20 lakh = 60 lakh
Profits of the business of Unit in SEZ × (Export Turnover of Unit in SEZ ÷ Total Turnover of Unit in SEZ)	60 lakh × (300 lakh ÷ 400 lakh) = Rs. 45 lakh.
Deduction	Deduction @ 50% = 22.5 lakh Deduction @ 100% = 45 lakh

No deduction u/s 10AA is allowable in respect of unit located in DTA.

B13. CA2013(N), 2011(M) – Pranay is running two industrial undertakings, Unit A in SEZ and Unit B in a DTA.

Computation	Working	Rs.
Total profit	13,00,000 + 4,00,000	17,00,000
Less: B/fd business loss set off u/s 72 (para 191)		(7,00,000)
Total income before giving effect to section 10AA		10,00,000
Less: Deduction u/s 10AA:		
• Export turnover of Unit A	1,20,00,000	
• Total turnover of Unit A	10,00,000 + 1,20,00,000 = 1,30,00,000	
• Profit derived from Unit A	13,00,000	
• Profits derived from export	13 lakh × (1.2 crore ÷ 1.3 crore) = 12 lakh.	
• Deduction u/s 10AA @100% (assuming AY 2021-22 is within first 5 years from the year in which operations began)	Deduction cannot exceed total income computed before allowed deduction	(10,00,000)
Total income		Nil

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OTHER EXEMPTIONS

B14. MASTER QUESTION - Examine whether the following incomes are chargeable to tax, and if so, compute the amount liable to tax.

#	Income	Taxable?	Amount taxable	Comment
1	Raman received Rs. 20,000 as his share from the income of the HUF of which he is a member. HUF did not pay tax on its income, its total income being below the basic exemption limit.	No	-	Exempt u/s 10(2)
2	Vani is a partner of ABC LLP. During the year, the LLP earned profit of Rs. 10 lakh. Vani was entitled to 1/5 th share.	No	-	Exempt u/s 10(2A)
3	Jayesh is a partner in a firm engaged in agricultural activities whose income is exempt from tax. He received Rs. 1 lakh as his share in the income of the firm.	No	-	Exempt u/s 10(2A)
4	Charles, resident in India as per Income-tax Act but resident outside India as per FEMA, earned interest of Rs. 10,000 on NR(E) Account which was credited in such account maintained with State Bank of India.	No	-	Exempt u/s 10(4)(ii)
5	Mike, a national of Denmark, worked in India as an official of the embassy of Denmark. He received a remuneration of Rs. 15 lakh during the PY 2021-22. Officials of Indian embassy in Denmark were similarly exempted in Denmark. He did not have any other source of income in India.	No	-	Exempt u/s 10(6)(ii)
6	Jacky, a non-resident citizen of India, living in the US and employed with US Inc, a US based company, visited India during the PY 2021-22 for 35 days in connection with an assignment undertaken by US Inc. US Inc did not have any business in India and its income was not taxable in India. For this purpose, Jacky received a remuneration of Rs. 1 lakh.	Yes	1,00,000	Income accrues/arises in India; not exempt 10(6)(vi) as Jacky is citizen of India
7	Mahi's house, situated in Gujarat, was destroyed in a major earthquake in 2019, which qualified as a disaster under the Disaster Management Act. He received compensation of Rs. 14 lakh from the Gujarat Government during PY 2021-22.	No	-	Exempt u/s 10(10BC)
8	Brijesh had opened a Sukanya Samridhi Account in the name of his daughter. During the year, he received maturity proceeds of Rs. 25 lakh out of which Rs. 5 lakh was interest component.	No	-	Exempt u/s 10(11A)
9	Shaman was awarded scholarship of Rs. 1 lakh during the PY 2021-22 by the Central Government to pursue higher education. He spent Rs. 80,000 towards meeting the cost of education and used the rest for personal purpose.	No	-	Exempt u/s 10(16)
10	Shankar, aged 15 years, was awarded Rs. 50,000 as bravery award instituted by the State Government.	No	-	Exempt u/s 10(17A)
11	Virat Kohli received a prize of Rs. 5 lakh towards the 'Man of the Match' award from the Cricket Club of Mumbai.	Yes	5,00,000	Not exempt u/s 10(17A), since not from CG/SG
12	Xavier, a 'Param Vir Chakra' awardee, who was formerly in the service of the Life Insurance Corporation, received a pension of Rs. 2,20,000 during the FY 2021-22	Yes	2,20,000	Not exempt u/s 10(18), since not employee of CG or SG

13	Mrs. Bhutia, a Sikkimese, earned Rs. 2,40,000 as rent from house situated in Sikkim. She got married to Raktim, not a Sikkimese, on 1 June 2007. The couple stays in Mumbai.	No	-	Exempt u/s 10(26AAA) as she married non Sikkimese before 1.4.2008.
14	Mr. Ram purchased a ULIP on 1.5.2014 for a sum assured of Rs. 50 lakh at an annual premium of Rs. 2.6 lakh. He has received Rs. 55 lakh as maturity proceeds of the policy during the PY 2021-22.	No	-	Exempt u/s 10(10D); annual premium \leq 10% of sum assured and it is not a ULIP issued on or after 1.2.2021 with annual premium > 2.5 lakh
15	Mr. Ram purchased a ULIP on 1.5.2021 for a sum assured of Rs. 50 lakh at an annual premium of Rs. 2.6 lakh. He is estimated to receive Rs. 55 lakh as maturity proceeds of the policy after 7 years. He will not acquire any other ULIP.	Yes	55,00,000	Not exempt u/s 10(10D); annual premium \leq 10% of sum assured but it is a ULIP issued on or after 1.2.2021 with annual premium > 2.5 lakh
16	Mr. Solanki purchased a life insurance policy (not a ULIP) on 31.3.2012 for a sum assured of Rs. 20 lakh at an annual premium of Rs. 1.25 lakh. He has received Rs. 26 lakh as maturity proceeds during the PY 2021-22.	No	-	Exempt u/s 10(10D); annual premium \leq 20% of sum assured and it is not a ULIP issued on or after 1.2.2021 with annual premium > 2.5 lakh

B15. Examine with reasons in brief whether the following statements are true or false.

#	Statement	True/False	Reason
1	Exemption is available to a Sikkimese individual only in respect of income from any source in the State of Sikkim	False	Also in respect of dividend or interest on securities
2	Pension received by a recipient of gallantry award, who was a former employee of Central Government, is exempt.	True	Exempt u/s 10(18)
3	Mr. A, a member of HUF, received Rs. 10,000 from out of the income of HUF. Same is to be included in his chargeable income.	False	Exempt u/s 10(2)
4	CA2016(M) – Amount received by an individual or his legal heir as compensation for natural disaster from the Government, is taxable.	False	Exempt u/s 10(10BC)

AGRICULTURAL INCOME

M1. During the PY 2021-22, Kaushik earned rent of Rs. 1,20,000 from plot of land meant for crop harvesting but.....

Dairy farming: Not exempt as not used for agriculture; Nepal: Not exempt as land not in India; Andhra Pradesh: Exempt

M2. During the PY 2021-22, Juhi earned Rs. 5,00,000 as rent from land situated in Tamil Nadu and used for.....

Income from sale taxable as capital gain since land is urban agricultural land. Rest is exempt.

M3. Rahul owns four plots of land: Plot A in rural area used for rice farming, Plot B in rural area used for cattle.....

Plot A NIL as rural agricultural land + Plot B 30 lakh not exempt as not rural agricultural land + Plot C 30 lakh not exempt as not rural agricultural land + Plot D 30 lakh not exempt as not rural agricultural land = 90 lakh.

M4. Suman runs a nursery where he grows saplings and seedlings in pots. He does not carry out any operation on.....

Income from saplings or seedlings grown in a nursery is deemed to be agricultural income.

M6. Govind carries out farming activities on a plot of land owned by him. During the PY 2021-22 he earned income of.....

Exempt = Pulses 3,00,000 as sold in raw form + Rice 6,00,000 as sold after compulsory processing + Rice milk Nil as it is not exempt

M7. Which of the following is not a condition for claiming exemption in respect of income from building used.....

It should be either be assessed to land revenue/be subject to local rate OR not be situated in urban area

M8. The principal business of a rural society is to sell butter made by its member societies. They make butter from.....

Taxable as no agricultural operations are carried out on land

M9. Mr. Chai holds 40% shares of Chai Ltd. a tea company, whose 60% income is exempt as agricultural income under.....

Mere indirect connection with agricultural income is not sufficient for exemption.

M10. Raj is the managing agent of Saj Ltd. He is entitled to a commission of 10% on the annual net profits of Saj Ltd.....

Mere indirect connection with agricultural income is not sufficient for exemption.

M11. Yana uses a part of agricultural land as pasture for cows. Milk from the cows is regularly sold in the market.....

Taxable as no agricultural operations are carried out on land

M12. Mr. Junglee owns a patch of forest land. Several medicinal herbs and shrubs grow spontaneously without.....

Taxable as no agricultural operations are carried out on land

M13. Jane has invested in debt securities of Flowers Pvt. Ltd., a company deriving its main source of income from.....

Mere indirect connection with agricultural income is not sufficient for exemption

M14. Saurabh grows sugarcane in his farm and manufactures sugar in his factory. He sells both sugarcane and sugar in.....

Agricultural income = 3,00,000 from direct sale (Sale proceeds of sugarcane 9,00,000 – Cost of cultivation (60%) 6,00,000) + 2,00,000 apportioned u/r 7 (Market value of sugarcane used in manufacture 6,00,000 – Cost of cultivation (40%) 4,00,000) = 5,00,000.

Business income = Sale proceeds 10,00,000 – Market value of raw material 6,00,000 – Cost of manufacturing 2,00,000 = 2,00,000.

M15. Ramesh owns rubber plantations in Kerala and sells crepe rubber in the market. During the PY 2021-22, sales.....

Rule 7A applies. Composite income = 25 lakh – 5 lakh – 12 lakh = 8 lakh. Business income @ 35% = 2,80,000.

M16. Srishti owns coffee plantations in Tamil Nadu. During the PY 2021-22, she incurred Rs. 3,00,000 in growing.....

Rule 7B applies. Composite income = 5,00,000 – 2,70,000 (90%) – 1,00,000 = 1,30,000. Business income @ 40% = 52,000.

M17. Gurpreet carries on tea business. 40% of income from this business will be treated as business income where.....

Rule 8 applies to sale of tea grown and manufactured by the seller in India

M18. Sham Singh spends Rs. 1,00,000 on cultivation and harvesting of his agricultural produce. 50% of the production.....

Agri income = 1,10,000 – 50,000 = 60,000

M22. During the PY 2021-22, Dev, resident of age 30 years, has agricultural income of Rs. 3,30,000 and business income.....

No tax liability and no partial integration of agricultural income as TI ≤ BEL of 2,50,000

M23. Devina, a resident aged 81 years, has agricultural income of Rs. 4,50,000 and taxable income from business.....

Tax on NAI + TI of 11,50,000 is 1,45,000. Tax on NAI + BEL of 5,00,000, i.e., on 9,50,000 is 90,000. Difference = 55,000. Tax liability = 55,000 + 2,200 HEC = 57,200

DEDUCTION U/S 10AA

M25. DEF Pvt. Ltd. commenced manufacture of computer parts in a SEZ on 15.12.2020. The letter of approval was.....

Used P&M is more than 20% of total value of P&M. Deduction not available.

M26. Suresh commenced manufacture of products in his SEZ unit on 1.6.2020. He purchased plant and machinery for.....

Year in which unit begins manufacture

M27. Jacob set up Units A and B in a SEZ. While Unit A began manufacturing on 1.6.2010, Unit B began manufacturing.....

Unit A: AY 2022-23 is 12th year. Deduction = Lower of 5 lakh (50% of 10 lakh) or NIL credit to SEZRRRA = NIL

Unit B: AY 2022-23 is 8th year. Deduction = 50% of 15 lakh = 7.5 lakh.

M29. Mr. Z has set up a Unit in SEZ which began to manufacture goods for export on 12.7.2018. For the FY 2021-22.....

AY 2022-23 is 4th year, hence, 100% deduction is available.

Deduction = Profits of SEZ Unit 15 lakh × [Export turnover of SEZ Unit 40 lakh (45 lakh – 5 lakh) / Total turnover of SEZ Unit 55 lakh (60 lakh – 5 lakh)] = 10,90,909

M32. PQR Ltd. has two units, one in SEZ and other at DTA. SEZ unit was set up and started manufacturing from.....

AY 2022-23 is 7th year from AY 2016-17.

Deduction = 50% of [70,00,000 × (2,80,00,000 ÷ 4,50,00,000)]

OTHER EXEMPTIONS

M33. Mr. C received the following during the PY 2021-22: Rs. 5,00,000 received out of the income of HUF of which he is.....

From HUF NIL as exempt u/s 10(2) + Share from firm NIL as exempt u/s 10(2A) + Salary from firm 6,00,000 taxable as PGBP = 6,00,000.

M34. Mr. X, a non-resident in India, received interest of Rs. 2,00,000 on his Non-resident (External) Account.....

NRE interest exempt u/s 10(4)(ii) + BD Pvt. Ltd. not taxable as accrued/received outside India + XYZ Ltd 2,50,000 as accrued/received in India = 2,50,000.

M35. Which of the below incomes is not exempt in case of an individual, not being a citizen of India?.....

A: Exempt u/s 10(6)(ii); B: Not exempt u/s 10(6)(viii) as total stay in India should not exceed 90 days; C: Exempt u/s 10(6)(xi)

M37. During the PY 2021-22, JBL Inc, a foreign company, deputed Mr. Z, its employee and a citizen of Germany, to.....

Remuneration not exempt u/s 10(6)(vi) as stay exceeds 90 days. Rs. 10 lakh taxable. Balance not taxable as Mr. Z is a NR and amount is accrued/received outside India.

M38. Raman received the following amounts during the PY 2021-22: Salary of Rs. 12 lakh from the National.....

Salary from NTRO not exempt 12,00,000 + Compensation exempt u/s 10(10BC) + Sukanya Samriddhi proceeds exempt u/s 10(11A) + FTS from GOI of 5,00,000 not exempt = 17,00,000

M39. In which of the following cases is sum received under a life insurance policy exempt from tax?.....

A: Exempt u/s 10(10D). Annual premium of 2.75 lakh \leq 20% of sum assured as policy issued before 1.4.2012. Not a high premium ULIP as issued before 1.2.2021.

B: Not exempt u/s 10(10D). Annual premium of 2.75 lakh $>$ 10% of sum assured as policy issued after 31.3.2012.

C: Not exempt u/s 10(10D). High premium ULIP as issued on or after 1.2.2021 with annual premium $>$ 2.5 lakh

D: Not exempt u/s 10(10D): Keyman insurance policy

M40. Rohan received Rs. 2 lakh as scholarship from Tata Education Trust to meet the cost of his higher education.....

Exempt u/s 10(16). Amount actually spent is not relevant.

M41. Mr. Shah, a Member of Parliament, earned the following during the PY 2021-22: Salary of Rs. 2,40,000.....

Salary is taxable under the head IFOS. Daily/Constituency allowance exempt u/s 10(17).

M42. Which of the following incomes is taxable?.....

A: Exempt u/s 10(18); B: Exempt u/s 10(19). C: Taxable under the head 'Salaries'

M43. Which of the following incomes is not exempt in case of a Sikkimese individual?.....

Exempt = A: Income accruing/arising from source in Sikkim; B: Dividend; C: Interest on securities.

D: Not exempt as Sikkimese woman has married a non-Sikkimese on or after 1.4.2008

DISALLOWANCE UNDER SECTION 14A

M47. Jagat is an agriculturist based in Madhya Pradesh. During the PY 2021-22, he sold maize for Rs. 10 lakh. He.....

20 lakh – 5 lakh.