

Q.1(a) Not an exceptional case

Option (i)	
Year	Stay
2023-24	90
2022-23	0
2021-22	0
2020-21	0
2019-20	352
2018-19	365
2017-18	365

Option (ii)	
Year	Stay
2023-24	90
2022-23	0
2021-22	0
2020-21	0
2019-20	365
2018-19	365
2017-18	365

Basic conditions: not fulfilled

Addit. Conditions:

Status Non-Resident

Basic Conditions Fullfilled (60+365/4)

Addit. Conditions Both

Status ROR

SN	Particulars	ROR	NR
(i)	Interest on German Bonds 40% received in India	180000	72000
(ii)	Divid. From a British Co. received in USA	272000	0
(iii)	Cash gift in India from a friend on brithday	100000	100000
(iv)	Rent from property situated at Delhi	300000	300000
(v)	Professional Income (set up in India)	150000	0
(vi)	Royalty pertains to a project situated in India	250000	250000
	Total	1252000	722000

6 marks

6 marks

Q.1(b) What do you mean by person as per section 2(31)? Different b/w person and assessee.

4 marks

2 marks

OR

Q.1(a)

SN	Particulars	Foreign/Indian	Amount for S.6(1A)
(i)	Interest from deposit in India	Indian	200000
(ii)	Dividend from UK co. received in India	Indian	300000
(iii)	Winnings from Lottery in India	Indian	1200000
(iv)	Professional Income in Singapore	Foreign	0
(v)	Busi. income in Singapore controlled from India	Deemed Indian	400000
	Total		2100000

Previous Year	(a)	(b)	(c.)
2023-24	0	200	121
2022-23		200	300
2021-22		200	
2020-21		200	
2019-20		200	
2018-19		200	
2017-18		200	
2016-15		200	
2015-16		200	
Basic Condit	No	Yes	No
Addi. Condit	-	Both	-
Status	NR	RoR	NR
Exception			
S.6(1A)	NOR	-	NOR

Being Indian Citizen he falls under S. 6(1A) r.w. 6(6)(d) and 6(6)(c.)

4 marks

4 marks

4 marks

SN	Particulars	RoR	NOR
(i)	Interest from deposit in India	200000	200000
(ii)	Dividend from UK co. received in India	300000	300000

(iii)	Winnings from Lottery in India	1200000	1200000
(iv)	Professional Income in Singapore	600000	0
(v)	Busi. income in Singapore controlled from India	400000	400000
	Total	2700000	2100000

1.(b)

Particulars	Amount	
GTI	620000	
Less: Deductions		
u/s 80C	120000	
Taxable Income	500000	
Add: Agri Income	400000	
Aggregate Income	900000	1 mark

(i) Tax on Aggregate Income

slabs	amount	rate	tax amount
exemption	250000	0	0
250000 to 500000	250000	5%	12500
500000 to 900000	400000	20%	80000
			92500

2 marks

(ii) Tax on Agriculture Income + Exemption Limit (total 650000)

slabs	amount	rate	tax amount
exemption	250000	0	0
250000 to 500000	250000	5%	12500
500000 to 650000	150000	20%	30000
			42500

2 marks

Difference of tax on (i) and (ii)	50000	
Less: Rebate u/s 87A (as non-agri income < 5L)	12500	
Balance after rebate	37500	
Add: Health and Education Cess 4%	1500	1 mark
Tax Liability	39000	

Question 2 (a)

SN	Particulars	Amt	Amt
I	Basic components		
1	Basic Salary (90000*12)	1080000	
2	DA (12000*12)	144000	
3	Commission (5% of 720000)	36000	
	Basics Total		1260000
II	Allowances		
1	HRA (Actual Received) 24000*12 = 288000		
	Less: exempt 10(13A) (working Note 1) -137200	150800	
2	Tranport Allownace (3500-3200)*12	3600	
	Total Allowances		154400
III	Perks		
1	Interest free loan (WN-2)	11438	
2	Car Facility (2400*12)	28800	
3	Lunch coupon/Meal Facility (100-50)*250	12500	
	Total Perks		52738
IV	Retirement Benefits		
	Employer Contri to RPF =13000*12 = 156000		
	Less: exemption 12% of Salary =142560	13440	
	Interest on RPF in excess of 9.5% = 40000*1/10.5	3810	
	Total Retirement Benefits		17250
	Gross Salary		1484388
	Deductions u/s 16(1a)		50000
	Taxable Salary		1434388
	Gross Total Income		1434388
	Less: Dedcustion: 80C - Employee contt to RPF	156000	150000
	Less: Deduction: 80U - Disability deduction		75000
	Total Income		1209388

1 mark

2 marks

1 mark

1 mark

1 mark

1 mark

3 mark

Working Notes

Working Note-1. HRA Exempt(Persiod Wise Calculation)		
	April to Oct	Nov. to March
Number of months	7	5
Basic Salary	90000	90000
D.A.	6000	6000
Commission (fixed)	3000	3000
Salary for HRA purposes	99000	99000
Rent paid	18000	26000
10% of Salary	9900	9900
a. Actual HRA	24000	24000
b. 50% of salary (Mumabi)	49500	49500
c. Rent paid- 10%of salary	8100	16100
Taxable (Actual received less exemption)	15900	7900
Total taxable	111300	39500

2 marks

137200

150800

Working Note-2. Valuation of Interest Free Loan		
September	250000*9%*1/12	1875
October	250000*9%*1/12	1875
November	235000*9%*1/12	1762.5
December	220000*9%*1/12	1650
January	205000*9%*1/12	1537.5
February	190000*9%*1/12	1425
March	175000*9%*1/12	1312.5
		11,438

- (b) Rent Free Accommodation to non-govt. employees
 Old provision 3 marks
 New provision 3 marks

OR

Q. 2(a) or part

SN	Particulars	Amount	Amount
I	Basic Components		
1	Basic Salary (70000*7)	490000	
2	Dearness Allowance (60% of D.A)	294000	
	Total		784000
II	Allowances		
1	Medical allowance (3000*7)	21000	
	Total Taxable Allowances		21000
III	Retirement Benefits		
1	Employer Contri to RPF 10400*7 = 72800		
	Less: 12%*[490000+(50%*294000)] = 76440	0	
2	Taxable Interest to RPF (54000*2.5/12)	11250	
3	Lumsum amt of RPF at retirement (Exempted)	0	
4	Gratuity (Actually received) 650000		
	Less: exempt u/s10(10) (WN-1) -650000	0	
5	Uncommuted Pension (30000*2)+(10000*3)	90000	
6	Commuted Pension (Act. Received) 510000		
	Less:exempt u/s 10(10A) -255000	255000	
7	Leave Salary (Actually received) 350000		
	Less:exempt u/s 10(10AA) (WN-2) -350000	0	356250
	Gross salary		1161250
	Less: Standard Deduction u/s 16(1a)		50000
	Taxable Salary		1111250

Working Notes

1. Gratuity(not covered)	
a. actual amount paid	650000
b. maximum 200000 reduced by Rs. 120000	200000-120000
c. 1/2 *AMS for every completed year (1/2*87880*18)	790920

Avg Salary = SRB of 10 months preceding the month of retirement		
Duration	Setp to Apr	Mar to Dec
Months	6	4
Basic Salary	70000	64000
D.A. 60%, 50% enters into ret. Benefits	21000	19200
Total	546000	332800
Total Salary of last 10 months for Gratuity	878800	
AMS i.e., Total 10 months salary/10	87880	

2. Calculation of leaves as per 30 days		
	As per Company	As per Income Tax
No of leaves in a year	35	30
No of completed years	18	18
Total Leaves	630	540
Leaves availed	420	420
Unaviled leaves	210	120
Calculation of leave exemption u/s 10(10AA)		

a. actual amount paid	350000	
b. maximum amount	2500000	
c. average salary*10 =88660*10	886600	
d. unavailed leaves/30*AMS	354640	
Average salary = SRB of 10 months from the date of retirement		
Duration	Oct to April	March to Jan
No. of months	7	3
Basic Salary	70000	64000
D.A. forming part of retirement	21000	19200
Total	637000	249600
Total 10 Months salary	886600	
Average Salary for Leave Salary purposes	88660	

(b) part

Valuation of movable assets	Dep.rate	Dept. method	
Computer	50%	WDV	2 marks
Car	20%	WDV	2 marks
Other than computer and car	10%	SLM	2 marks
Dep for each completed year from purchase			

Q.3(a)

Income from PGBP of Mr. A for the A.Y. 2024-25

SN	Particulars	Amount	Amount	
	Net Profit as per P&L A/c		570000	
Add:	Disallowed Exp.			
(i)	Household exp. (included in purchases)	50000		S.37(1)
(ii)	Cash payment to creditors (incl. in purchases)	18000		S.40(a)
(iii)	Outstanding gratuity (included in wages)	70000		S.43B
(iv)	Excess Depreciation (55400 - 52000)	3400		S.32
(v)	Party for A's friend (Advertisement)	34000		S.37(1)
(vi)	Provision for Doubtful Debts	32500		S.36
(vii)	Advance payment of Income Tax	40000		6 marks
	Total Disallowed Exp.		247900	
Less:	Income of Other heads/not an Income			
(i)	STCG (CG)	810000		
(ii)	Income tax refund	25000		
(iii)	Dividend from PQR Co. (IOS)	12000		
(iv)	Interest on ITR Refund	1500		2 marks
	Total of Income of other heads		848500	
Add:	Undervaluation of closing stock	20000	20000	=180000*10/90
Less:	Undervaluation of opening stock	19000	19000	=171000*10/90
1	Income from PGBP		-29600	
2	Income from Capital gains (STCG)		810000	
3	Dividend (IoS)+Refund on Income Tax		13500	
	Gross Total Income		793900	
Less:	Deductions u/s 80C		120000	3 marks
	Taxable Income		673900	

3(b)

Provisions of S.44ADA

- (i) eligible person who can avail benefits of 44ADA 2 marks
(ii) presumptive income (amount/ percentage) 2 marks
(iii) benefits/exemptions 2 marks

OR

(a) Income of Mr. X under the head PGBP for the A.Y. 2024-25

SN	Particulars	Amount	Amount	
	Allowed Incomes/receipts			
(i)	Fees from clients (1431000+65950)	1496950		
(ii)	Presents from clients (36000-15000)	21000		
	Total allowed receipts		1517950	
	Allowed Expenses/losses			
(i)	Dep. on furniture (300000*10%*1/2)	15000		
(ii)	Car exp. (267750*3/4)	200813		1 mark
(iii)	Dep on car	12000		for each
(iii)	Salary to staff (529200-50000)	479200		step
(iv)	office rent	48000		
(v)	office exp. (22500-5000)	17500		
(vi)	Professional tax	2000		
	Allowed Expenses/losses		774513	
1	Income from Profession		743437	
2	Income from other sources (gift <15000)		0	
	GTI		743437	
Less:	Deductions u/s 80C			
(i)	Contribution to PPF	65000		
(ii)	Contribution to SSA	20000		
			85000	
	Taxable Income		658437	

(b) Section 43B i.e., Statutory payments up to due date of filing of return
few examples are expected from students

6 marks

Q.4(a)

Full Value Consideration	7000000
Less: Selling Expenses 1% of 70 lakhs	70000
Indexed Cost of Acquisition (10Lakh*348)/137	2540146
Indexed Cost of Improvement (5Lakh*348)/184	945652
Long Term Capital Gain	3444202
exemption u/s 54(25L+5L)	-3000000
Exemption u/s 54EC	-300000
Taxable LTCG	144202
Advance Money forfeited (Taxable as Income from other sources)	500000

7 marks
2 marks
2 marks

1 marks

Q.4(b) Net Annual value

Deductions u/s 24(b) under New Tax Regime

Q.4(a) OR part

	H-1	H-2	H-3
	SO	LO	LO
MV	500000	500000	500000
FR	600000	800000	450000
Higher	600000	800000	500000
SR	450000	610000	580000
Lower- ER	450000	610000	500000
ARRR excluding URR including LDV	NIL	700000	600000
Gross Annual Value(GAV)	NIL	700000	600000
Minus Loss due to vacancy			100000
GAV	NIL	700000	500000
Less:Municipal Taxes paid	NIL	50000	50000
Net Annual Value(NAV)	NIL	650000	450000
Less:Deductions u/s 24			
24(a) Standard Deduction(30% of NAV)	NIL	195000	135000
24(b) Interest on Loan	NIL	320000	166667
Income from House property	NIL	135000	148333
Taxable Income from House property	2,83,333		
	2 marks	5 marks	5 marks

Working Notes:

1. Calculation of Interest on loan for H-2

Total period of construction - 1/4/2020-10/6/23

Pre Construction period - 1/4/2020-31/3/2023	36 months	200000 *10%*36/12	600000/5 =120000
Current Year Interest (PY 23-24)	12 months	2000000*10%	200000
		Total	320000

2. Calculation of Interest on loan for H-3

Total period of construction - 1/4/2012-10/10/2015			
Pre Construction period - 1/4/2012-31/3/2015		Not to be included as 5 years	
Current Year Interest till 31/1/2024 (PY 23-24) for 10 months only		2000000*10% *10/12	166667

Q.4(b) or part

- Exemption of section 54F
- Eligible person
- Eligible capital gains
- Scheme of Special CG Deposit Scheme

Amount of exemption
Failure of exemption

6 marks

Q.5

Net Tax Liability of Mr. Lokesh for the A.Y. 2024-25

SN	Particulars	Amount	Amount	
(i)	Salary income	650000		
Less:	Standard Deductions	50000		
			600000	
(ii)	House property income	225000	225000	
(iii)	STCG on gold	200000	200000	
(iv)	FD Interest	14000	14000	
(v)	Saving bank account interest	11000	11000	
(vi)	LTCG on House property	400000	400000	
	Gross Total Income(GTI)		1450000	2 marks
Less:	Deductions u/s 80C-80U			
	Public Provident Fund 80C	180000	150000	
	LIP for married son (Not Eligible)	0		
	NPS Contribution (80CCD(1B))	36000	36000	
	Medical Insurance Premium (80D)	32000	25000	
	Section 80G			
	National Defence Fund	10000	10000	
	Swachh Bharat Kosh	15000	15000	6 marks for all deductions
	PM CARES fund	5000	5000	
	Zila Sakshrita Samiti	8000	8000	
	Donation of blankets (not eligible)	0		
	Saving bank interest deduction (80TTA)	11000	10000	
	Net Total Income(NTI)		1191000	
	Tax @ special rate @ 20% LTCG on HP	400000	80000	
	Rest income is taxable as per slab rate	791000	70700	4 marks
	Gross Tax Liability		150700	
Add:	Health and Education Cess @4%		6028	
	Net Tax Liability		156728	

slabs	Amount	Rate	Tax Amt
Upto 250000	250000	0	0
Rs. 250000 to Rs. 500000	250000	5%	12500
Rs. 500000 to Rs. 791000	291000	20%	58200
Total			70700

(b) Set off and carry forward of :

(i)	house property loss	Intra head adjustment	2 marks
(ii)	STCL	Inter-head adjustment	2 marks
(iii)	LTCL	Carry forward	2 marks

OR

Q.5 OR

Net Tax Liability of Mr. Pankaj Singh for the A.Y. 2024-25

SN	Particulars	Amount	Amount	
1	House property income	300000	300000	1 mark
2	Income from Other Sources			
(i)	Saving bank account interest	40000		
(ii)	Gift from non relative	180000		
(iii)	HP Inadequate consideration	1200000		4 marks
(iv)	Winning from lottery (14L x 100/70)	2000000		
(v)	Dividend from indian company	100000		
(vi)	Furniture income (IOS)	20000		
	Total IOS		3540000	
3	LTCG on equity shares under section 112A	90000		
	Less: Exemption upto Rs. 100000	90000	0	1 mark
	Gross Total Income(GTI)		3840000	
Less:	Deductions u/s 80C-80U (New Tax Regime)	NA	NA	1 mark

	Net Total Income(NTI)		3840000	
	Tax @ special rate @ 30% on Lottery Income	2000000	600000	5 marks
	Rest income is taxable as per new slab rate	1840000	252000	
	Gross Tax Liability		852000	
Add:	Health and Education Cess @4%		34080	
	Tax Liability		886080	
	Less: TDS		600000	
	Net Tax Liability		286080	

Slabs	Amt	Rate	Amt
upto Rs. 300000	300000	0	0
300000 to 600000	300000	5%	15000
600000 to 900000	300000	10%	30000
900000 to 1200000	300000	15%	45000
1200000 to 1500000	300000	20%	60000
Beyond 1500000	340000	30%	102000
Total			252000

- (b) Clubbing of minor child u/s 64(1A)
Income with parents having higher income
exemption of rs. 1500
cases where clubbing is not done
(i) Professional income
(ii) Art work etc.

6 marks