Sr. No. of Question Paper : 831

Your Roll No...............

I

Friday, 13-12-2024
09:30 am to 12:30 pm

Unique Paper Code : 2412083501

Name of the Paper : Income Tax Law and Practice

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Name of the Course : **B.Com. (H)**

Semester : V – DSC

Duration : 3 Hours Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt **all** questions. Each question has internal choice.
3. **All** questions having **two** parts.
4. Use of Simple Calculator allowed.
5. Answers may be written either in English or in Hindi; but the same medium should be used throughout the paper.

छात्रों के लिए निर्देश

1. इस प्रश्न-पत्र के मिलते ही ऊपर दिए गए निर्धारित स्थान पर अपना अनुक्रमांक लिखिए।
2. सभी प्रश्नों को हल करें। प्रत्येक प्रश्न में आंतरिक विकल्प है।
3. सभी प्रश्नों के दो भाग हैं।
4. साधारण कैलकुलेटर का उपयोग करने की अनुमति है।
5. इस प्रश्न-पत्र का उत्तर अंग्रेजी या हिंदी किसी एक भाषा में दीजिए, लेकिन सभी उत्तरों का माध्यम एक ही होना चाहिए।

1. (a) Mr. Ranjan was born in 1980 in India. His father was also born in India in 1950. His grandparents were born in USA. Ranjan was residing in India till 18.03.2020. He left India first time on 18.03.2020 to USA and took citizenship thereof. He visited India during the previous year 2023-24 for 90 days. His income details of the previous year 2023-24 are as below:

1) Interest on German Development bonds, 40% received in India	Rs. 180000
2) Dividend from a British Company received in USA	Rs. 272000
3) Cash gift received in India from a friend on his birthday	Rs. 100000
4) Rent received from a property situated at Delhi	Rs. 300000
5) Income from profession (set up in Delhi) in USA and received in Germany	Rs. 150000
6) Royalty from a foreign company (received in London). Royalty pertains to a project of the foreign company situated in India	Rs. 250000

Determine his residential status and taxable income :

(i) As per details given above.

(ii) If he had left India on 01/04/2020 keeping no change in his income. (12)

(b) What do you mean by "Person" as per section 2(31) of the Income Tax Act, 1961? How is the term "person" different from the term "assessee"? (6)

OR

(a) Mr. Ankit, a citizen of India, has been carrying on a profession in Singapore, where he is not liable to pay any income-tax. His income for the previous year 2023-24 is as follows :

(i) Interest from deposits in India Rs. 200000

(ii) Dividend from UK company received in India Rs. 300000

(iii) Winnings from lottery in India Rs. 1200000

(iv) Professional income accrued and received in Singapore Rs. 600000

(v) Business income in Singapore but business is controlled from India Rs. 400000

Determine his residential status and taxable income, if during the previous year 2023-24 he has :

(a) not visited India.

(b) visited India for 200 days during 2023-24, and 200 days in every preceding financial year since 2015-16.

(c) visited India for 121 days and in the four preceding years immediately the previous year 2023-24, he was in India for 300 days. (12)

(b) Gross Total Income of Mr. Vinod (age 50 years ordinary resident) as computed under Income-Tax Act, for the assessment year 2024-25 is Rs. 620000. He deposited Rs. 120000 in a PPF account. Compute his tax liability under old tax regime if he has agricultural income of Rs. 400000. (6)

2. (a) Mr. Rahul (with 50% hearing impairment certified by a medical authority) is a 50-year-old resident individual employed as an Assistant Manager at Diamond Pvt Ltd in Mumbai. He provides the following information for the previous year 2023-24. Calculate his total income for the assessment year 2024-25 under the old tax regime.

SN	Particulars	Amount
(i)	Basic Salary	Rs. 90000 pm
(ii)	Dearness Allowance (50% forms part of salary for retirement benefits)	Rs. 12000 pm
(iii)	Fixed commission of 5% on a turnover of Rs. 720000 achieved during the previous year. (Commission spread equally over the year)	Rs. 36000
(iv)	House Rent Allowance (Rent paid Rs. 18000 pm, changed to Rs. 26000 w.e.f. 01/11/2023)	Rs. 24000 pm
(v)	Transport Allowance (Expenses incurred Rs. 1200 per month)	Rs. 3500 pm
(vi)	The company provided him with an interest-free loan on 01/09/2023. As per the loan repayment terms, he will pay Rs. 15000pm from November 2023 onwards (SBI Lending Rate on 1/4/2023 is 9% for the same purpose	Rs. 250000
(vii)	He contributed Rs. 13000 per month to a recognized provident fund, with an equal contribution from his employer	
(viii)	Interest credited to the recognized provident fund during the previous year @10.5%p.a.	Rs. 40000
(ix)	He has been provided with car (more than 1600cc) facility by employer for both office and personal purposes. Car expenses are paid by the employer.	Rs. 3500pm
(x)	Lunch coupon for 250 days during the previous year	Rs. 100 each coupon per day

(12)

(b) Describe the provisions for calculating the value of rent-free accommodation provided to non-government employees. (6)

OR

(a) Mr. Ravi, a Senior Manager at Global Solutions Ltd, retired on 31/10/2023 after serving 18 years and 7 months. He submitted his income details of the previous year 2023-24 as follows :

(i) Basic salary Rs. 70000 per month at the time of retirement.

(ii) Dearness allowance 60% of the basic salary, 50% of which was eligible for retirement benefits.

(iii) Increment of Rs. 6000 per month effective from 1/4/2023.

(iv) Medical allowance Rs. 3000 pm. He spent Rs. 25000 on his medical treatment.

(v) Gratuity received Rs. 650000 (not covered under Gratuity Payment Act). Earlier he worked with ABC Co. Ltd., where he also received gratuity which was exempted up to Rs. 120000.

(vi) Pension fixed at Rs. 30000 pm w.e.f. 01/11/2023. He commuted 2/3rd of his pension for a sum Rs. 510000 w.e.f. 01/01/2024.

(vii) He contributed Rs. 10400 pm to recognized provident fund (RPF), with an equal contribution made by employer. Interested credited to provident fund during the year amounted to Rs. 54000 @ 12% p.a.

(viii) A lump sum amount of Rs. 1800000 received on account of accumulated balance of RPF on retirement.

(ix) Leave salary at the time of retirement Rs. 350000.

(a) Leaves entitlement = 35 leaves for each completed year of service (630 leaves)

(b) Leaves availed = 420 days

(c) Leaves credited = 210 days

You are required to compute his income chargeable under the head salary for the assessment year 2024-25 under old tax regime. (12)

(b) Explain the provisions under Section 17(2) regarding valuation of perquisite in respect of sale of movable assets, sold by employer to an employee. (6)

3. (a) Mr. A prepared his books of accounts on accrual basis and submitted the Profit and Loss Account as on 31st March 2024.

Particulars	Amount	Particulars	Amount
To Opening Stock	171000	By Sales	2060000
To Purchases	1325500	By Short Term Capital Gains	810000
To Wages & Salaries	749100	By Discounts Received	40000
To Depreciation	55400	By Income Tax Refund	25000
To Advertisement	110000	By Interest on Income Tax Refund	1500
To Provision for Doubtful Debts	32500	By Dividend from PQR Co. Ltd.	12000
To Advance Income Tax Paid	40000	By Closing Stock	180000
To Custom Duty	75000		
To Profit	570000		
Total	3128500	**Total**	3128500

Other information:

(i) Purchases included expenses of sum of Rs. 50000 spent on household expenses of Mr. A.

(ii) Purchases further includes a payment of sum of Rs. 18000 paid to a creditor in cash.

(iii) Wages included outstanding amount of gratuity of a sum of Rs. 150000 to be paid on retirement of an employee. The said amount is paid as follows:

(a) Rs. 30000 on 15/05/2024

(b) Rs. 50000 on 30/07/2024

(c) Rs. 70000 on 25/09/2024

(iv) Salaries included a sum of Rs. 200000 paid to spouse of Mr. A on account of her services being sales manager, she is qualified MBA (Marketing). Earlier she was working with XYZ Ltd. and entitled to withdraw Rs. 200000 for same services.

(v) Depreciation as per section 32 is Rs. 52000.

(vi) Advertisement expense includes a sum of Rs. 34000 spent on organizing a party for A's friend who visited India after a long time.

(vii) Both opening stock and closing stocks are undervalued by 10%.

Compute Taxable Income of Mr. A assuming that he contributes Rs. 120000 to PPF on 20/01/2024 and due date of filing of return is 31/07/2024. Mr. A is not availing benefit of section 115BAC. (12)

(b) Explain the provisions to compute income on estimated basis in case of assessee is engaged in profession under section 44ADA of the Income Tax Act. (6)

OR

(a) Mr. X is a practicing Chartered Accountant in Delhi prepared his books of accounts on receipt and payment basis. He submitted receipt payment details as below for the previous year 2023-24.

Particulars	**Amount**	**Particulars**	**Amount**
Balance b/d	513000	Purchase of Furniture	300000
Fees from Clients		Car Expenses	267750
P.Y. 2023-24	1431000	Salary to Staff	529200
P.Y. 2022-23	65950	Office Rent	48000
Presents from Clients	36000	Office Expenses	22500
Loan from PPF	325000	Income Tax Paid	18000
		Professional Tax	2000
		Contribution to PPF	65000
		Contribution to Sukanya Samriddhi	20000
		Balance c/d	1098500
Total	**2370950**	**Total**	**2370950**

Other Information :

(i) The fee pertaining to the financial year 2022-23 is received in the previous year 2023-24.

(ii) Presents from clients included a gift of Rs. 15000 from his friend.

(iii) Rate of depreciation on furniture 10% as per section 32 of the Act. The furniture was purchased on 01/12/2023.

(iv) The depreciation on car as per section 32 is Rs. 12000 which is not shown in above details.

(v) 1/4th of the car is used for personal purposes.

(vi) Office expenses included household expenses a sum of Rs. 5000.

(vii) A sum of Rs. 50000 paid to brother of Mr. X for computer related work who does not hold any requisite qualification for that work.

Compute net taxable income of Mr. X for the assessment year 2024-25 under old tax regime. (12)

(b) Discuss the provisions relating to amount not deductible in respect of certain unpaid liabilities under section 43B of the Act. (6)

4\. (a) Mr. Ramesh purchased a plot of vacant land at a cost of Rs.10 lakhs in the financial year 2008-09. He constructed a residential building on that land for Rs. 5 lakhs in the financial year 2011-12. In July 2023, he entered into an agreement to sell the land and building to Mr. Aman for a sale consideration of Rs.60 lakhs, received Rs.500000 as an advance payment in cash. However, Mr. Aman failed to pay the remaining amount by the due date, so Mr. Ramesh forfeited the advance payment. He then entered into an agreement with Mr. Karan, in January 2024, to sell the property for Rs.70 lakhs. The sale deed was executed and registered on 10 March 2024 for the agreed consideration, but the stamp duty valuation of the property was set at Rs.75 lakhs. Mr. Ramesh paid a 1% brokerage on the received sale consideration.

Following the sale, Mr. Ramesh made the following investments :–

(i) Acquired a residential property in Bengaluru for Rs.25 lakhs (on 28/03/2024).

(i) Deposited Rs. 5 lakhs in Special Capital Gains Account Scheme (on 31/03/2024) to construct building on the land.

(i) Subscribed to NHAI bonds with Rs.3 lakhs on 25 May 2024.

Compute Mr. Ramesh's income chargeable under the head "Capital Gains" for the assessment year 2024-25. What would be the treatment of advance money forfeited by him during 2023-24.

CII: 2023-24 = 348, 2011-12 = 184, 2008-09 = 137 (12)

(b) Explain the term "Net Annual Value" in respect of house property income u/s 23 of the Act. State the deductions available from net annual value in case of Let-Out property under new tax regime. (6)

OR

(a) Mr. X (Date of Birth: 30/12/1958) has three independent houses, details are given below :

Particulars	H-1	H-2	H-3
Purpose	Self-Occupied	Let Out	Let Out
MV	500000	500000	500000
FRV	600000	800000	450000
SR	450000	610000	580000
Monthly Rent	Nil	70000	50000
Unrealized Rent	–	140000	–
Vacancy Loss (in months)	–	Nil	2
M.Taxes paid by Mr. X for 2023-24	10%	10%	10%

Mr. X took a loan to construct house-2 and house-3 details are given below.

Houses	Date of Loan taken	Amount of Loan	Rate of Interest	Construction completion date	Last date of repayment of loan
H-2	1/4/2020	2000000	10%	10/6/2023	31/3/2035
H-3	1/4/2012	2000000	10%	10/10/2015	31/1/2024

Compute his taxable income under the head house property for the A.Y. 2024-25 under new tax regime. (12)

(b) Briefly explain the provisions relating to exemption of capital gain on transfer of any long-term capital asset other than house property under section 54F of the Act. (6)

5. (a) Mr. Lokesh (age 46 years), submits his income for previous year 2023-24 as follows :

Income from salary (before standard deduction)	Rs. 650000
Income from house property (computed)	Rs. 225000
Short-term capital gains on gold	Rs. 200000
Long-term capital gains on house property	Rs. 400000
Income from other sources	Rs. 25000
➢ Interest on Fixed Deposits Rs. 14000	
➢ Interest on Saving Banks Rs. 11000	
Gross Total Income	**Rs. 1500000**

He made following investments/savings :

1) Contribution towards public provident fund	Rs. 180000
2) Life insurance premium for married son not dependant on him, policy is issued after April 2012, sum assured is Rs. 260000.	Rs.15000
3) Mediclaim premium paid by cheque for himself	Rs. 32000
4) He made the donation towards National Defence Fund	Rs. 10000
5) He made donation towards Swachh Bharat Kosh	Rs. 15000
6) PM CARES Fund	Rs. 5000
7) Zila Saksharta Samiti	Rs. 8000
8) Donations of blankets to an orphanage	Rs. 12000
9) Contribution by him towards National Pension Scheme	Rs. 36000

Compute his tax liability for the assessment year 2024-25 under old tax regime.

(12)

(b) Explain provisions relating to set off and carry forward of house property, short-term capital loss, and long-term capital losses as per Income Tax Act 1961.

(6)

OR

(a) Mr. Pankaj Singh (age: 64 years, residential individual) furnished the following information pertaining to previous year 2023-24. Compute his taxable income and tax liability for assessment year 2024-25. Assume, Mr. Pankaj Singh has opted to be taxed under new tax regime.

1) Income from house property	Rs. 300000
2) Saving bank interest	Rs. 40000
3) Received a gift from his father's friend	Rs. 180000
4) Purchased a house property from his close friend Mr. Dinesh	Rs. 300000
However, stamp value of the property is	Rs. 1500000
5) Winnings from lotteries (net of TDS @ 30%)	Rs. 1400000
6) Dividend on shares in ABC Limited (domestic company)	Rs. 100000
7) Rental income from letting of furniture (not charged as business income)	Rs. 20000
8) Long term capital gain on listed equity shares and STT is paid	Rs. 90000

(12)

(b) Explain the provisions relating to clubbing of income of a minor child u/s 64(1A) of Income Tax Act, 1961.

(6)

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

Basic conditions: not fulfilled
Addit. Conditions:
Status **Non-Resident**

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 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	
2021-22		200	
2020-21		200	300
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**
	4 marks	4 marks	4 marks

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

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	2 marks
500000 to 900000	400000	20%	80000	
			92500	

(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	2 marks
			42500	

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 Edcuation 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		1 mark
	Total Allowances		154400	
III	**Perks**			
1	Interest free loan (WN-2)	11438		2 marks
2	Car Facility (2400*12)	28800		1 mark
3	Lunch coupon/Meal Facility (100-50)*250	12500		1 mark
	Total Perks		52738	
IV	**Retirement Benefits**			
	Employer Contri to RPF =13000*12 = 156000			1 mark
	Less: exemption 12% of Salary =142560	13440		1 mark
	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	3 mark
	Total Income		1209388	

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**	2 marks
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**	137200
Taxable (Actual received less exemption)	15900	7900	
Total taxable	111300	39500	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 provison 3 marks

New provison 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		1 mark
	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			1 mark
	Less: 12%*[490000+(50%*294000)] = 76440	0		
2	Taxable Interest to RPF (54000*2.5/12)	11250		1 mark
3	Lumsum amt of RPF at retirement (Exempted)	0		1 mark
4	Gratuity (Actually received) 650000			
	Less: exempt u/s10(10) **(WN-1)** -650000	0		2 mark
5	Uncommuted Pension (30000*2)+(10000*3)	90000		3 marks
6	Commuted Pension (Act. Recevied) 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	2 marks
	Gross salary		**1161250**	
	Less: Standard Deduction u/s 16(1a)		50000	1 mark
	Taxable Salary		**1111250**	

Working Notes

1. Gratuity(not covered)	
a. actual amount paid	**650000**
b. maximum 200000 reduced by Rs. 120000	2000000-120000
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 (Advertisment)	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	1 mark	=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**	7 marks
exemption u/s 54(25L+5L)	-3000000	2 marks
Exemption u/s 54EC	-300000	2 marks
Taxable LTCG	**144202**	
Advance Money forfeited **(Taxable as Income from other sources)**	500000	**1 marks**

Q.4(b) Net Annual value

Dedcutions 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 contruction - 1/4/2020-10/6/23			
Pre Construction period - 1/4/2020-31//3/2023	36 months	2000000 *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 contruction - 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 Sepcial CG Deposite 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	4 marks
	Rest income is taxable as per slab rate	791000	70700	
	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		4 marks
(ii)	Gift from non relative	180000		
(iii)	HP Inadequate consideration	1200000		
(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
	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**

5 marks

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