CASE 13.4

Shri Nikhil Deshpande

Mumbai · Below 60 years · salary

THE QUESTION

A. The case, in paragraphs

1. Shri Nikhil Deshpande, son of Shri Anant Rao Deshpande, was born on 3 June 1978 and is resident and ordinarily resident in India. His permanent account number is AFTPD6132J and his Aadhaar number 2298-6741-3305. He lives at 1204, Sagar Darshan, Veera Desai Road, Andheri West, Mumbai 400053, in the State of Maharashtra; his mobile number is 9820451163 and his e-mail address nikhil.deshpande@gmail.com.

2. He was in employment throughout the tax year 2026-27 with Konkan Chemicals Limited, a company in the private sector, whose tax deduction account number is MUMK02845A. The salary for the year, in the gross amount, came to ₹ 33,60,000. He received no perquisite and no profit in lieu of salary, and no allowance of any kind was paid to him. He paid tax on employment of ₹ 2,500 to the Municipal Corporation of Greater Mumbai.

3. He owns two houses, and no more, and is the sole owner of each, holding the whole hundred per cent in both. The first house, at 8, Shivneri Apartments, S. V. Road, Bandra West, Mumbai 400050, in the State of Maharashtra, was let for the whole year to Shri Vikram Chandra Joshi, whose permanent account number is AJTPJ6318K, at a rent of ₹ 8,40,000, the whole of which was realised. He paid ₹ 42,000 to the local authority during the year, and interest on the capital borrowed to acquire that house came to ₹ 3,25,000. No arrears of rent and no unrealised rent were received. That tenant, being an individual, has no tax deduction account number, and deducted ₹ 16,800 from the rent against his own permanent account number.

4. The second house, at D-212, Crossings Republik, NH-24 Service Road, Dundahera, Ghaziabad 201016, in the State of Uttar Pradesh, was let for the whole year to Smt. Rekha Bhardwaj, whose permanent account number is CKMPB2298N, at a rent of ₹ 4,80,000, the whole of which was realised. He paid ₹ 24,000 to the local authority during the year, and interest on the capital borrowed to acquire that house came to ₹ 2,10,000. No arrears of rent and no unrealised rent were received. The rent being below ₹ 50,000 a month, the tenant deducted no tax from it.

5. His income from other sources was — interest of ₹ 19,000 credited to his savings bank account; interest of ₹ 2,20,000 on fixed deposits, in the gross amount before the tax deducted; dividend of ₹ 1,60,000 on listed equity shares, in the gross amount, declared and paid on 28 January 2027; and interest of ₹ 13,200 received on an income-tax refund.

6. He claims, under Chapter VIII — life insurance premia, contributions to a provident fund and the tuition fees of his children amounting in all to ₹ 1,80,000; health insurance premia of ₹ 25,000 paid otherwise than in cash; and the interest of ₹ 19,000 credited to his savings account.

7. He paid advance tax at the HDFC Bank, Bandra West branch, whose branch code is 0230118, by three challans — ₹ 70,000 by challan no. 00592 on 15 September 2026; ₹ 85,000 by challan no. 01807 on 15 December 2026; and ₹ 85,000 by challan no. 03264 on 15 March 2027. After the close of the year he paid ₹ 40,000 by challan no. 04933 on 10 June 2027, at the same branch.

8. Tax was deducted at source during the year — ₹ 5,60,000 from his salary by Konkan Chemicals Limited, tax deduction account number MUMK02845A; ₹ 22,000 from the interest on his fixed deposits by State Bank of India, tax deduction account number MUMS03917C; ₹ 16,000 from the dividend by Bharat Cements Limited, tax deduction account number MUMB07219E; and ₹ 16,800 from the rent by Shri Vikram Chandra Joshi, against permanent account number AJTPJ6318K. He claims the whole of it as credit in this tax year.

9. Any refund is to be credited to his savings account no. 50100234567 with the HDFC Bank, the IFS code of that branch being HDFC0001234. It is the only account he holds in India.

10. He has no income from any business or profession and no capital gain, and no agricultural income. He is not a director in any company, he holds no unlisted equity share, no tax has been deducted from him on a cash withdrawal, and he has neither any asset nor any signing authority in any account outside India. He is not a representative assessee and files no return in response to any notice. He verifies and furnishes the return himself at Mumbai on 25 July 2027, on or before the due date of 31 July 2027, and it is not a revised return.

B. The same facts, field by field

How to read this question

The column headed Ref. is the number the field carries on the face of Form ITR-1 SAHAJ, and in column A of the workbook — A1 the Permanent Account Number, A4a the age category, A20 the regime, B1(i)(a) the gross salary, 1a to 1k the first house property and 2a to 2k the second — so that every row can be found without counting down the sheet.

The tax year is 2026-27, running from 1 April 2026 to 31 March 2027. The return is furnished on 25 July 2027, within the due date of 31 July 2027.

Part A — general information

Ref.	Field	What is to be entered
A1	Permanent Account Number	AFTPD6132J
A2 / A2a / A3	First, middle and last name	Nikhil / (none) / Deshpande
A4	Date of birth	03/06/1978
A4a	Age category — the sheet computes it from A4	Below 60 years
A5	Aadhaar number	2298-6741-3305
A6(a)	Primary mobile number	9820451163
A7(a)	Primary e-mail	nikhil.deshpande@gmail.com
A8(a)	Flat / Door / Block No.	1204
A9(a)	Name of premises / building	Sagar Darshan
A10(a)	Road / Street / Post Office	Veera Desai Road
A10(a)	Area / Locality ★ mandatory	Andheri West
A11(a)	Town / City / District ★ mandatory	Mumbai
A12(a) / A13(a)	State / Country	Maharashtra / India
A14(a)	PIN code	400053
A15	Filed under section	263(1) — on or before the due date
A15a	Date on which the return is furnished	25/07/2027
A16 / A17	Notice / Nature of employment	Not applicable / Others
A18	Is this a revised return?	No
A20	Do you wish to opt out of the default regime? [section 202(4)]	No for Solution 1, the new regime; Yes for Solution 2, the old regime
A21 / A22	Return under the seventh proviso / representative assessee	No / No
Verification	Son or daughter of · capacity · place	Shri Anant Rao Deshpande · Self · Mumbai

Part B1 — salary and pension

Ref.	Particulars	Amount
B1(i)(a)	Salary from Konkan Chemicals Limited, TAN MUMK02845A	₹ 33,60,000
B1(i)(b)	Value of perquisites	₹ 0

Ref.	Particulars	Amount
B1(i)(c)	Profits in lieu of salary	₹ 0
B1(ii)	Amounts excluded under Schedule II or Schedule III — no allowance of any kind was received	₹ 0
B1(iv)(b)	Tax on employment (professional tax) paid to the Municipal Corporation of Greater Mumbai	₹ 2,500
B1(iv)(c)	Other deductions from salary	₹ 0

The standard deduction at B1(iv)(a) is computed by the sheet from the answer at (A20) and is never entered.

Part B2 — the two house properties

Ref.	Particulars	Property 1	Property 2
	Flat / Door / Block No.	8	D-212
	Premises / building	Shivneri Apartments	Crossings Republik
	Road / Post Office	S. V. Road	NH-24 Service Road
	Area / Locality ★	Bandra West	Dundahera
	Town / City ★	Mumbai	Ghaziabad
	State · PIN	Maharashtra · 400050	Uttar Pradesh · 201016
	Occupancy	Let out	Let out
	Co-owned? · share	No · 100%	No · 100%
	Name of the tenant	Shri Vikram Chandra Joshi	Smt. Rekha Bhardwaj
	PAN of the tenant	AJTPJ6318K	CKMPB2298N
1a / 2a	Gross rent received or receivable	₹ 8,40,000	₹ 4,80,000
1b / 2b	Rent which could not be realised	₹ 0	₹ 0
1c / 2c	Taxes paid to the local authority	₹ 42,000	₹ 24,000
1h / 2h	Interest payable on borrowed capital	₹ 3,25,000	₹ 2,10,000
1j / 2j	Arrears or unrealised rent received	₹ 0	₹ 0

Part B3 — income from other sources

Ref.	Particulars	Amount
B3(a)	Interest credited to the savings bank account	₹ 19,000
B3(b)	Interest on fixed deposits, gross, before the tax deducted	₹ 2,20,000
B3(c)	Interest received on an income-tax refund	₹ 13,200
B3(d)	Dividend on listed equity shares, gross — declared and paid on 28 January 2027, so period (iv) — 16 December 2026 to 15 March 2027	₹ 1,60,000

Part C — the deductions claimed

Section	Particulars	Claimed
123	Life insurance premia, provident fund and the tuition fees of his children	₹ 1,80,000
126	Health insurance premia paid otherwise than in cash	₹ 25,000
153	Interest on a savings account	₹ 19,000

Part E, Schedule IT and Schedule TDS

Ref.	IFS code	Name of the bank	Account number	For refund?
Part E B1	HDFC0001234	HDFC Bank	50100234567	Yes

Schedule IT — advance tax and self-assessment tax paid by the assessee himself

Sl.	BSR code	Date of deposit	Challan No.	Tax paid	Which it is
R1	0230118	15/09/2026	00592	₹ 70,000	Advance tax
R2	0230118	15/12/2026	01807	₹ 85,000	Advance tax
R3	0230118	15/03/2027	03264	₹ 85,000	Advance tax
R4	0230118	10/06/2027	04933	₹ 40,000	Self-assessment tax

Every challan was deposited at the HDFC Bank, Bandra West branch. A challan deposited on or before 31 March 2027 is advance tax under sections 404 to 408; one deposited after that date is self-assessment tax under section 266. On these facts the advance tax comes to ₹ 2,40,000 and the self-assessment tax to ₹ 40,000.

Schedule TDS — tax deducted at source, claimed in full in this year

Sl.	TAN of the deductor	PAN of the tenant	Name of the deductor	Section	Deducted
T1	MUMK02845A	—	Konkan Chemicals Limited	392	₹ 5,60,000
T2	MUMS03917C	—	State Bank of India	393(1) Sl.5(ii)	₹ 22,000
T3	MUMB07219E	—	Bharat Cements Limited	393(1) Sl.2	₹ 16,000
T4	—	AJTPJ6318K	Shri Vikram Chandra Joshi	393(3) Sl.4	₹ 16,800

A tenant who is an individual is not required to obtain a tax deduction account number, and deducts against his own Permanent Account Number. That is why the last row carries a PAN and no TAN. Credit for the tax deducted from the rent may be claimed only because the rent itself is returned at 1a and the tenant is named there. The tenant of Property 2 pays less than ₹ 50,000 a month and deducts nothing.

The eligibility block, and other information

Ref.	Question	Answer
E1	Is the assessee a director in any company?	No
E2	Has he held any unlisted equity share?	No
E3	Has tax been deducted from him on a cash withdrawal?	No
E4	Has he any agricultural income?	No
E5	Has he any asset, or signing authority in any account, outside India, or is income-tax on any employee stock option deferred?	No

Ref.	Question	Answer
—	Residential status	Resident and ordinarily resident
—	Ownership of both house properties	Sole owner, one hundred per cent
—	Income from business or profession, and capital gains	None
—	Any other advance tax or self-assessment tax	None beyond Schedule IT

What you are required to do

Fill Form ITR-1 SAHAJ from the facts above, and compute the total income and the amount payable or refundable twice over, under each regime of the tax year.

- Solution 1 — the NEW regime, which is the default. Answer No at (A20); income-tax is computed under section 202(1).
- Solution 2 — the OLD regime. Answer Yes at (A20); the option under section 202(4) is exercised.

Note. Interest under sections 423, 424 and 425 is NOT COMPUTED in this paper. The rows remain on the form, because they are on the notified return, but nothing is worked out against them. In practical life the interest is charged, and the return of a real assessee would carry it.