

CASE 13.5**Shri Rajeev Menon**

Bengaluru · Below 60 years · salary

THE QUESTION**A. The case, in paragraphs**

1. Shri Rajeev Menon, son of Shri Balakrishna Menon, was born on 27 January 1981 and is resident and ordinarily resident in India. His permanent account number is AQVPM5417D and his Aadhaar number 8836-2094-5713. He lives at 402, Brigade Palm Court, 100 Feet Road, Indiranagar, Bengaluru 560038, in the State of Karnataka; his mobile number is 9845307162 and his e-mail address rajeev.menon@gmail.com.

2. He was in employment throughout the tax year 2026-27 with Nandi Systems Limited, a company in the private sector, whose tax deduction account number is BLRN04182D. The salary for the year, in the gross amount, came to ₹ 29,80,000. 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 ₹ 2,400 to the Bruhat Bengaluru Mahanagara Palike.

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 27, Sahakar Nagar, Bellary Road, Hebbal, Bengaluru 560092, in the State of Karnataka, was let for the whole year to Shri Ashok Kumar Pai, whose permanent account number is AGWPP8261L, at a rent of ₹ 6,72,000, the whole of which was realised. He paid ₹ 33,600 to the local authority during the year. He had acquired that house with a loan of ₹ 36,00,000 from Kotak Mahindra Bank Limited, Home Loan Account No. 4411236908, sanctioned on 22 September 2016; ₹ 27,48,600 of it was outstanding on 31 March 2027, and the interest on it for the year came to ₹ 2,45,000. No arrears of rent and no unrealised rent were received. That tenant, being an individual, has no tax deduction account number, and deducted ₹ 13,440 from the rent against his own permanent account number.

4. The second house, at 14, Vontikoppal Layout, Temple Road, Jayalakshmipuram, Mysuru 570012, in the State of Karnataka, was in his own occupation throughout the year. He had acquired it with a loan of ₹ 34,00,000 from Union Bank of India, Home Loan Account No. 520101034478261, sanctioned on 5 February 2019, the acquisition being completed in that year. Of the loan, ₹ 29,12,400 was outstanding on 31 March 2027, and the interest on it for the year came to ₹ 2,60,000.

5. His income from other sources was as follows —

Income	Amount
Interest credited to his savings bank account	₹ 27,000
Interest on fixed deposits, in the gross amount before the tax deducted	₹ 1,95,000
Dividend on listed equity shares, in the gross amount, declared and paid on 20 March 2027	₹ 1,25,000
Interest received on an income-tax refund	₹ 7,800
Total	₹ 3,54,800

6. He sold listed equity shares during the year for ₹ 5,80,000, on which securities transaction tax was paid. Those shares had cost him ₹ 4,72,000 and had been held for more than twelve months.

7. He claims, under Chapter VIII, the following deductions, the particulars of which are to be furnished in Schedule XV of the return —

Payment	Amount	Policy / document no.
Life insurance premium — Life Insurance Corporation of India	₹ 31,000	LIC/2013/009147
Life insurance premium — SBI Life Insurance Company Limited	₹ 17,000	SBIL/2019/730528
Contribution to provident fund	₹ 66,000	PF/TDS/2026-27/RM/0064813
Tuition fees, first child	₹ 26,000	BIS/2026-27/07731
Tuition fees, second child	₹ 22,000	BIS/2026-27/07732

Payment	Amount	Policy / document no.
Total — life insurance, provident fund and tuition fees	₹ 1,62,000	
Health insurance premium, paid otherwise than in cash — Niva Bupa Health Insurance Company Limited	₹ 24,000	NBHI/2024/R672940
Interest credited to his savings account	₹ 27,000	

8. He paid advance tax at the Canara Bank, Indiranagar branch, whose branch code is 0410562, by the challans below; the last of them was paid after the close of the year, at the same branch.

Date of deposit	Amount	Challan No.	Remarks
15 June 2026	₹ 60,000	00863	Advance tax
15 September 2026	₹ 70,000	02147	Advance tax
15 December 2026	₹ 80,000	03528	Advance tax
10 June 2027	₹ 35,000	05914	Self-assessment tax

9. Tax was deducted at source during the year as shown below. He claims the whole of it as credit in this tax year.

Deducted from	Amount	Deducted by	TAN / PAN
Salary	₹ 4,05,000	Nandi Systems Limited	BLRN04182D
Interest on his fixed deposits	₹ 19,500	State Bank of India	BLRS03264C
Dividend	₹ 12,500	Deccan Alloys Limited	HYDD01937F
Rent	₹ 13,440	Shri Ashok Kumar Pai	AGWPP8261L
Total	₹ 4,50,440		

10. Any refund is to be credited to his savings account no. 04211234567 with the Canara Bank, the IFS code of that branch being CNRB0001842. It is the only account he holds in India.

11. He has no income from any business or profession and no capital gain other than the one above, 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 Bengaluru 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 — 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 — and the workbook prints the same references beside its fields (B1 to B4, C1 to C3 and D1 to D11 on the Income Details sheet, a to k on the HP sheet), 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	AQVPM5417D
A2 / A2a / A3	First, middle and last name	Rajeev / (none) / Menon
A4	Date of birth	27/01/1981
A4a	Age category — the sheet computes it from A4	Below 60 years
A5	Aadhaar number	8836-2094-5713
A6(a)	Primary mobile number	9845307162
A7(a)	Primary e-mail	rajeev.menon@gmail.com
A8(a)	Flat / Door / Block No.	402
A9(a)	Name of premises / building	Brigade Palm Court
A10(a)	Road / Street / Post Office	100 Feet Road
A10(a)	Area / Locality ★ mandatory	Indiranagar
A11(a)	Town / City / District ★ mandatory	Bengaluru
A12(a) / A13(a)	State / Country	Karnataka / India
A14(a)	PIN code	560038
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 Balakrishna Menon · Self · Bengaluru

Part B1 — salary and pension

Ref.	Particulars	Amount
B1(i)(a)	Salary from Nandi Systems Limited, TAN BLRN04182D	₹ 29,80,000

Ref.	Particulars	Amount
B1(i)(b)	Value of perquisites	₹ 0
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)	Entertainment allowance — no deduction under the Income-tax Act, 2025	₹ 0
B1(iv)(c)	Tax on employment (professional tax) paid to the Bruhat Bengaluru Mahanagara Palike	₹ 2,400

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.	27	14
	Premises / building	Sahakar Nagar	Vontikoppal Layout
	Road / Post Office	Bellary Road	Temple Road
	Area / Locality ★	Hebbal	Jayalakshmpuram
	Town / City ★	Bengaluru	Mysuru
	State · PIN	Karnataka · 560092	Karnataka · 570012
	Occupancy	Let out	Self-occupied
	Co-owned? · share	No · 100%	No · 100%
	Name of the tenant	Shri Ashok Kumar Pai	—
	PAN of the tenant	AGWPP8261L	—
1a / 2a	Gross rent received or receivable	₹ 6,72,000	Nil — self-occupied
1b / 2b	Rent which could not be realised	₹ 0	₹ 0
1c / 2c	Taxes paid to the local authority	₹ 33,600	₹ 0
1h / 2h	Interest on borrowed capital (col. vii)	₹ 2,45,000	₹ 2,60,000
h (i)	Loan taken from	Bank	Bank
h (ii)	Name of the bank / institution	Kotak Mahindra Bank Limited	Union Bank of India
h (iii)	Loan account number	4411236908	520101034478261
h (iv)	Date of sanction of the loan	22/09/2016	05/02/2019
h (v)	Total amount of the loan	₹ 36,00,000	₹ 34,00,000
h (vi)	Loan outstanding on 31/03/2027	₹ 27,48,600	₹ 29,12,400
1j / 2j	Arrears or unrealised rent received	₹ 0	₹ 0

Columns (i) to (vii) are the loan table under 1h / 2h in the HP sheet; column (vii) is the interest shown against 1h / 2h. Property 1 is let out, so its loan particulars are entered under both regimes. For Property 2, the self-occupied house, the interest is allowed only where (A20) is Yes, that is, for Solution 2, and then within the ceiling of ₹ 2,00,000; under the new regime the sheet greys out its loan table and it is left blank.

Part B3 — income from other sources

Ref.	Particulars	Amount
B3(a)	Interest credited to the savings bank account	₹ 27,000
B3(b)	Interest on fixed deposits, gross, before the tax deducted	₹ 1,95,000
B3(c)	Interest received on an income-tax refund	₹ 7,800
B3(d)	Dividend on listed equity shares, gross — declared and paid on 20 March 2027, so period (v) — 16 to 31 March 2027	₹ 1,25,000

Part C — the deductions claimed

Section	Particulars	Claimed
123	Life insurance premia, provident fund and the tuition fees of his children	₹ 1,62,000
126	Health insurance premia paid otherwise than in cash	₹ 24,000
153	Interest on a savings account	₹ 27,000

Schedule XV — section 123: the payments, with their policy or document numbers

Sl. No.	Nature of payment	Amount eligible for deduction u/s 123	Policy number or Document Identification number
1	Life insurance premium	₹ 31,000	LIC/2013/009147
2	Life insurance premium	₹ 17,000	SBIL/2019/730528
3	Contribution to provident fund	₹ 66,000	PF/TDS/2026-27/RM/0064813
4	Tuition fees — first child	₹ 26,000	BIS/2026-27/07731
5	Tuition fees — second child	₹ 22,000	BIS/2026-27/07732

Schedule XV — section 126: details of insurance

Sl. No.	Name of the Insurer (Insurance company)	Policy Number	Health Insurance amount
1	Niva Bupa Health Insurance Company Limited	NBHI/2024/R672940	₹ 24,000

These particulars are entered where (A20) is Yes, that is, for Solution 2. Every payment is entered at its full amount, exactly as it was paid.

Part C3(a) — the long-term capital gain

Ref.	Particulars	Amount
C3(a)(i)	Total sale consideration of listed equity shares sold during the year, on which securities transaction tax was paid	₹ 5,80,000
C3(a)(ii)	Total cost of acquisition of those shares	₹ 4,72,000
C3(a)(iii)	Long-term capital gain — computed by the sheet, never entered	₹ 1,08,000

The shares were held for more than twelve months. Enter the consideration and the cost; the sheet computes the gain. ITR-1 may be used only where that gain does not exceed ₹ 1,25,000, and ₹ 1,08,000 does not. The whole of the gain enters the gross total income, and the first ₹ 1,25,000 of it bears no tax.

Part E, Schedule IT and Schedule TDS

Ref.	IFS code	Name of the bank	Account number	For refund?
Part E B1	CNRB0001842	Canara Bank	04211234567	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	0410562	15/06/2026	00863	₹ 60,000	Advance tax
R2	0410562	15/09/2026	02147	₹ 70,000	Advance tax
R3	0410562	15/12/2026	03528	₹ 80,000	Advance tax
R4	0410562	10/06/2027	05914	₹ 35,000	Self-assessment tax

Every challan was deposited at the Canara Bank, Indiranagar 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 ₹ 2,10,000 and the self-assessment tax to ₹ 35,000.

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	BLRN04182D	—	Nandi Systems Limited	392	₹ 4,05,000
T2	BLRS03264C	—	State Bank of India	393(1) SL.5(ii)	₹ 19,500
T3	HYDD01937F	—	Deccan Alloys Limited	393(1) SL.7	₹ 12,500
T4	—	AGWPP8261L	Shri Ashok Kumar Pai	393(1) SL.2(i)	₹ 13,440

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. Property 2 is in his own occupation, so no rent arises from it and no tax is deducted.

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
—	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 from business or profession; the long-term capital gain at C3(a) only

Ref.	Question	Answer
—	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.