

**CASE 13.5****Shri Rajeev Menon**

Bengaluru · Below 60 years · salary

**THE SOLUTIONS****SOLUTION 1****TAX YEAR 2026-27****NEW REGIME**

1 April 2026 to 31 March 2027 · Income-tax Act, 2025

Case 13.5 · Shri Rajeev Menon · Bengaluru

**The regime, the Act and the dates**

The answer at (A20) is No. The option under section 202(4) has not been exercised, so income-tax is computed under section 202(1). This is the DEFAULT regime, and it applies of its own force.

The return is furnished on 25 July 2027. The due date is 31 July 2027, so the return is within time and no interest and no fee follows from the date of furnishing.

|                                                                                                                                                                                                         |                   |                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------|
| <b>INCOME FROM SALARIES</b>                                                                                                                                                                             |                   |                    |
| Salary for the year, in the gross amount [section 15]                                                                                                                                                   | ₹ 29,80,000       |                    |
| Less: standard deduction — ₹ 75,000, or the salary, whichever is less [section 19(1), Table Sl. No. 2]                                                                                                  | ₹ 75,000          |                    |
| Less: tax on employment — ₹ 2,400 was paid, but it is not deductible under this regime [section 202(2)(a)(iii)]                                                                                         | ₹ 0               |                    |
| <b>Income chargeable under the head “Salaries”</b>                                                                                                                                                      |                   | <b>₹ 29,05,000</b> |
| <b>INCOME FROM HOUSE PROPERTY</b>                                                                                                                                                                       |                   |                    |
| <b>Property 1 — Hebbal, Bengaluru — let out</b>                                                                                                                                                         |                   |                    |
| Gross rent received or receivable for the year [section 21(1)]                                                                                                                                          | ₹ 6,72,000        |                    |
| Less: taxes paid to the local authority during the year [section 21(7)(b)]                                                                                                                              | ₹ 33,600          |                    |
| <b>Annual value</b>                                                                                                                                                                                     | <b>₹ 6,38,400</b> |                    |
| Less: thirty per cent of the annual value [section 22(1)(a)]                                                                                                                                            | ₹ 1,91,520        |                    |
| Less: interest on the home loan of ₹ 36,00,000 from Kotak Mahindra Bank Limited, Home Loan Account No. 4411236908, borrowed to acquire it — allowed in full, the house being let out [section 22(1)(b)] | ₹ 2,45,000        |                    |
| <b>Income from property 1</b>                                                                                                                                                                           |                   | <b>₹ 2,01,880</b>  |
| <b>Property 2 — Jayalakshmipuram, Mysuru — self-occupied</b>                                                                                                                                            |                   |                    |
| Annual value — nil, the property being in the occupation of the owner [section 21(6)]                                                                                                                   | ₹ 0               |                    |
| Less: interest of ₹ 2,60,000 on the home loan from Union Bank of India, Home Loan Account No. 520101034478261 — denied in full by this regime [section 202(2)(a)(v)]                                    | ₹ 0               |                    |
| <b>Income from property 2</b>                                                                                                                                                                           |                   | <b>₹ 0</b>         |
| <b>Total of the two properties</b>                                                                                                                                                                      |                   | <b>₹ 2,01,880</b>  |

|                                                                                                                                                                                |                   |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------|
| <b>Income chargeable under the head “Income from house property”</b>                                                                                                           |                   | <b>₹ 2,01,880</b>  |
| <b>INCOME FROM OTHER SOURCES</b>                                                                                                                                               |                   |                    |
| Interest credited to the savings bank account [section 92]                                                                                                                     | ₹ 27,000          |                    |
| Interest on fixed deposits, in the gross amount before the tax deducted                                                                                                        | ₹ 1,95,000        |                    |
| Interest received on an income-tax refund                                                                                                                                      | ₹ 7,800           |                    |
| Dividend on listed equity shares, in the gross amount — declared and paid on 20 March 2027, so period (v) — 16 to 31 March 2027                                                | ₹ 1,25,000        |                    |
| Gross income from other sources                                                                                                                                                | ₹ 3,54,800        |                    |
| <b>Income chargeable under the head “Income from other sources”</b>                                                                                                            |                   | <b>₹ 3,54,800</b>  |
| <b>LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES</b>                                                                                                                         |                   |                    |
| Total sale consideration of the shares sold, on which securities transaction tax was paid [section 198]                                                                        | ₹ 5,80,000        |                    |
| Less: total cost of acquisition of those shares                                                                                                                                | ₹ 4,72,000        |                    |
| <b>Long-term capital gain — being within ₹ 1,25,000, ITR-1 may be used, and the whole of the gain nevertheless enters the gross total income [section 198]</b>                 |                   | <b>₹ 1,08,000</b>  |
| <b>GROSS TOTAL INCOME [section 122(10)]</b>                                                                                                                                    |                   | <b>₹ 35,69,680</b> |
| <b>DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII</b>                                                                                                                       |                   |                    |
| Life insurance premia ₹ 48,000, provident fund ₹ 66,000 and the tuition fees of his two children ₹ 48,000 — ₹ 1,62,000 claimed [section 123]                                   | ₹ 0               |                    |
| Health insurance premia paid otherwise than in cash — ₹ 24,000 claimed, Policy No. NBHI/2024/R672940 with Niva Bupa Health Insurance Company Limited [section 126]             | ₹ 0               |                    |
| Interest on a savings account — ₹ 27,000 claimed [section 153]                                                                                                                 | ₹ 0               |                    |
| Nothing in this Chapter is allowed where income-tax is computed under this regime, save four provisions which these facts do not attract [section 202(2)(a)(xii)]              |                   | ₹ 0                |
| <b>Total of the deductions allowed</b>                                                                                                                                         |                   | <b>₹ 0</b>         |
| <b>TOTAL INCOME, rounded off to the nearest multiple of ten rupees [section 516]</b>                                                                                           |                   | <b>₹ 35,69,680</b> |
| <b>TAX ON THE TOTAL INCOME</b>                                                                                                                                                 |                   |                    |
| Memorandum: the total income to be charged at the slab rates — the total income less the long-term capital gain of ₹ 1,08,000, which is charged separately [section 198(2)(b)] | ₹ 34,61,680       |                    |
| On the first ₹ 4,00,000 — Nil [section 202(1)]                                                                                                                                 | Nil               |                    |
| On the next ₹ 4,00,000 — 5 per cent                                                                                                                                            | ₹ 20,000          |                    |
| On the next ₹ 4,00,000 — 10 per cent                                                                                                                                           | ₹ 40,000          |                    |
| On the next ₹ 4,00,000 — 15 per cent                                                                                                                                           | ₹ 60,000          |                    |
| On the next ₹ 4,00,000 — 20 per cent                                                                                                                                           | ₹ 80,000          |                    |
| On the next ₹ 4,00,000 — 25 per cent                                                                                                                                           | ₹ 1,00,000        |                    |
| On the balance of ₹ 10,61,680 — 30 per cent                                                                                                                                    | ₹ 3,18,504        |                    |
| <b>Tax on the slab income</b>                                                                                                                                                  | <b>₹ 6,18,504</b> |                    |
| Tax on the long-term capital gain — the first ₹ 1,25,000 is not chargeable to tax, and the gain does not exceed that figure [section 198]                                      | ₹ 0               |                    |

|                                                                                                                                                                        |            |                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------------|
| <b>Tax payable on the total income</b>                                                                                                                                 |            | <b>₹ 6,18,504</b> |
| Less: rebate — nil, the total income being past ₹ 12,70,588 [section 156]                                                                                              |            | ₹ 0               |
| Tax after rebate                                                                                                                                                       |            | ₹ 6,18,504        |
| Add: health and education cess at four per cent [section 2 of the Finance Act, 2026]                                                                                   |            | ₹ 24,740          |
| <b>TOTAL TAX AND CESS</b>                                                                                                                                              |            | <b>₹ 6,43,244</b> |
| <b>INTEREST, TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE</b>                                                                                                      |            |                   |
| Memorandum: assessed tax — the total tax and cess, less the credit for tax deducted at source of ₹ 4,50,440 [section 424]                                              | ₹ 1,92,804 |                   |
| Memorandum: advance tax — the challans of Schedule IT deposited on or before 31 March 2027 [sections 404 to 408]                                                       | ₹ 2,10,000 |                   |
| Memorandum: self-assessment tax — the challans deposited after 31 March 2027. It is not advance tax and does not count towards the ninety per cent [section 266]       | ₹ 35,000   |                   |
| Add: interest for default in the payment of advance tax — NOT COMPUTED. Interest under sections 423 to 425 is ignored in this paper [section 424]                      |            | ₹ 0               |
| Add: interest for deferment of advance tax — NOT COMPUTED. Interest under sections 423 to 425 is ignored in this paper [section 425]                                   |            | ₹ 0               |
| Add: fee for a return furnished after the due date — nil, the return having been furnished on 25 July 2027, within the due date of 31 July 2027 [section 428(a)]       |            | ₹ 0               |
| <b>Total tax, fee and interest, rounded off [section 516]</b>                                                                                                          |            | <b>₹ 6,43,240</b> |
| Less: advance tax paid — Schedule IT [sections 404 to 408]                                                                                                             | ₹ 2,10,000 |                   |
| Less: self-assessment tax paid — Schedule IT [section 266]                                                                                                             | ₹ 35,000   |                   |
| Less: tax deducted from salary or pension — Schedule TDS [section 392]                                                                                                 | ₹ 4,05,000 |                   |
| Less: tax deducted from the interest on fixed deposits — Schedule TDS [section 393(1), Table Sl. No. 5(ii)]                                                            | ₹ 19,500   |                   |
| Less: tax deducted from the dividend — Schedule TDS [section 393(1), Table Sl. No. 7]                                                                                  | ₹ 12,500   |                   |
| Less: tax deducted from the rent of Property 1 by the tenant, an individual having no tax deduction account number — Schedule TDS [section 393(1), Table Sl. No. 2(i)] | ₹ 13,440   |                   |
| <b>Total taxes paid</b>                                                                                                                                                |            | <b>₹ 6,95,440</b> |
| <b>REFUND DUE, rounded off [sections 431 and 437]</b>                                                                                                                  |            | <b>₹ 52,200</b>   |

**The three figures to check**

**Total income ₹ 35,69,680    Total tax, fee and interest ₹ 6,43,240    Refund due ₹ 52,200**

**SOLUTION 2**  
**TAX YEAR 2026-27**  
**OLD REGIME**

1 April 2026 to 31 March 2027 · Income-tax Act, 2025  
Case 13.5 · Shri Rajeev Menon · Bengaluru

**The regime, the Act and the dates**

The answer at (A20) is Yes. The option under section 202(4) of opting out of the default regime has been exercised, so income-tax is charged at the rates in Paragraph A of Part I-B of the First Schedule to the Finance Act, 2026. The workbook calls it the Alternative (old) regime; the two names mean the same thing.

The return is furnished on 25 July 2027. The due date is 31 July 2027, so the return is within time and no interest and no fee follows from the date of furnishing.

|                                                                                                                                                                                                                                                                    |             |                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------|
| <b>INCOME FROM SALARIES</b>                                                                                                                                                                                                                                        |             |                     |
| Salary for the year, in the gross amount [section 15]                                                                                                                                                                                                              | ₹ 29,80,000 |                     |
| Less: standard deduction — ₹ 50,000, or the salary, whichever is less [section 19(1), Table Sl. No. 2]                                                                                                                                                             | ₹ 50,000    |                     |
| Less: tax on employment paid to the Bruhat Bengaluru Mahanagara Palike [section 19(1), Table Sl. No. 1]                                                                                                                                                            | ₹ 2,400     |                     |
| <b>Income chargeable under the head “Salaries”</b>                                                                                                                                                                                                                 |             | <b>₹ 29,27,600</b>  |
| <b>INCOME FROM HOUSE PROPERTY</b>                                                                                                                                                                                                                                  |             |                     |
| Property 1 — Hebbal, Bengaluru — let out                                                                                                                                                                                                                           |             |                     |
| Gross rent received or receivable for the year [section 21(1)]                                                                                                                                                                                                     | ₹ 6,72,000  |                     |
| Less: taxes paid to the local authority during the year [section 21(7)(b)]                                                                                                                                                                                         | ₹ 33,600    |                     |
| Annual value                                                                                                                                                                                                                                                       | ₹ 6,38,400  |                     |
| Less: thirty per cent of the annual value [section 22(1)(a)]                                                                                                                                                                                                       | ₹ 1,91,520  |                     |
| Less: interest on the home loan of ₹ 36,00,000 from Kotak Mahindra Bank Limited, Home Loan Account No. 4411236908, borrowed to acquire it — allowed in full, the house being let out [section 22(1)(b)]                                                            | ₹ 2,45,000  |                     |
| <b>Income from property 1</b>                                                                                                                                                                                                                                      |             | <b>₹ 2,01,880</b>   |
| Property 2 — Jayalakshmipuram, Mysuru — self-occupied                                                                                                                                                                                                              |             |                     |
| Annual value — nil, the property being in the occupation of the owner [section 21(6)]                                                                                                                                                                              | ₹ 0         |                     |
| Less: interest of ₹ 2,60,000 on the home loan from Union Bank of India, sanctioned on 5 February 2019 to acquire the house, the acquisition being completed in that year — restricted to the ceiling of ₹ 2,00,000 for a self-occupied property [section 22(1)(b)] | ₹ 2,00,000  |                     |
| <b>Income from property 2</b>                                                                                                                                                                                                                                      |             | <b>(₹ 2,00,000)</b> |
| Total of the two properties                                                                                                                                                                                                                                        |             | ₹ 1,880             |
| <b>Income chargeable under the head “Income from house property”</b>                                                                                                                                                                                               |             | <b>₹ 1,880</b>      |
| <b>INCOME FROM OTHER SOURCES</b>                                                                                                                                                                                                                                   |             |                     |
| Interest credited to the savings bank account [section 92]                                                                                                                                                                                                         | ₹ 27,000    |                     |
| Interest on fixed deposits, in the gross amount before the tax deducted                                                                                                                                                                                            | ₹ 1,95,000  |                     |

|                                                                                                                                                                                                                                |             |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--------------------|
| Interest received on an income-tax refund                                                                                                                                                                                      | ₹ 7,800     |                    |
| Dividend on listed equity shares, in the gross amount — declared and paid on 20 March 2027, so period (v) — 16 to 31 March 2027                                                                                                | ₹ 1,25,000  |                    |
| Gross income from other sources                                                                                                                                                                                                | ₹ 3,54,800  |                    |
| <b>Income chargeable under the head “Income from other sources”</b>                                                                                                                                                            |             | <b>₹ 3,54,800</b>  |
| <b>LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES</b>                                                                                                                                                                         |             |                    |
| Total sale consideration of the shares sold, on which securities transaction tax was paid [section 198]                                                                                                                        | ₹ 5,80,000  |                    |
| Less: total cost of acquisition of those shares                                                                                                                                                                                | ₹ 4,72,000  |                    |
| <b>Long-term capital gain — being within ₹ 1,25,000, ITR-1 may be used, and the whole of the gain nevertheless enters the gross total income [section 198]</b>                                                                 |             | <b>₹ 1,08,000</b>  |
| <b>GROSS TOTAL INCOME [section 122(10)]</b>                                                                                                                                                                                    |             | <b>₹ 33,92,280</b> |
| <b>DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII</b>                                                                                                                                                                       |             |                    |
| Life insurance premia ₹ 48,000, provident fund ₹ 66,000 and the tuition fees of his two children ₹ 48,000 — ₹ 1,62,000 was claimed, as itemised in Schedule XV below, and is restricted to the statutory ceiling [section 123] | ₹ 1,50,000  |                    |
| Health insurance premia paid otherwise than in cash — Policy No. NBHI/2024/R672940 with Niva Bupa Health Insurance Company Limited [section 126]                                                                               | ₹ 24,000    |                    |
| Interest on a savings account — ₹ 27,000 was claimed, and is restricted to the statutory ceiling [section 153]                                                                                                                 | ₹ 10,000    |                    |
| <b>Total of the deductions allowed</b>                                                                                                                                                                                         |             | <b>₹ 1,84,000</b>  |
| <b>TOTAL INCOME, rounded off to the nearest multiple of ten rupees [section 516]</b>                                                                                                                                           |             | <b>₹ 32,08,280</b> |
| <b>TAX ON THE TOTAL INCOME</b>                                                                                                                                                                                                 |             |                    |
| Memorandum: the total income to be charged at the slab rates — the total income less the long-term capital gain of ₹ 1,08,000, which is charged separately [section 198(2)(b)]                                                 | ₹ 31,00,280 |                    |
| On the first ₹ 2,50,000 — Nil [Paragraph A of Part I-B of the First Schedule to the Finance Act, 2026]                                                                                                                         | Nil         |                    |
| On the next ₹ 2,50,000 — 5 per cent                                                                                                                                                                                            | ₹ 12,500    |                    |
| On the next ₹ 5,00,000 — 20 per cent                                                                                                                                                                                           | ₹ 1,00,000  |                    |
| On the balance of ₹ 21,00,280 — 30 per cent                                                                                                                                                                                    | ₹ 6,30,084  |                    |
| Tax on the slab income                                                                                                                                                                                                         | ₹ 7,42,584  |                    |
| Tax on the long-term capital gain — the first ₹ 1,25,000 is not chargeable to tax, and the gain does not exceed that figure [section 198]                                                                                      | ₹ 0         |                    |
| <b>Tax payable on the total income</b>                                                                                                                                                                                         |             | <b>₹ 7,42,584</b>  |
| Less: rebate — nil, the total income being past ₹ 5,00,000 [section 156]                                                                                                                                                       |             | ₹ 0                |
| Tax after rebate                                                                                                                                                                                                               |             | ₹ 7,42,584         |
| Add: health and education cess at four per cent [section 2 of the Finance Act, 2026]                                                                                                                                           |             | ₹ 29,703           |
| <b>TOTAL TAX AND CESS</b>                                                                                                                                                                                                      |             | <b>₹ 7,72,287</b>  |

| <b>INTEREST, TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE</b>                                                                                                      |            |                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------------|
| Memorandum: assessed tax — the total tax and cess, less the credit for tax deducted at source of ₹ 4,50,440 [section 424]                                              | ₹ 3,21,847 |                   |
| Memorandum: advance tax — the challans of Schedule IT deposited on or before 31 March 2027 [sections 404 to 408]                                                       | ₹ 2,10,000 |                   |
| Memorandum: self-assessment tax — the challans deposited after 31 March 2027. It is not advance tax and does not count towards the ninety per cent [section 266]       | ₹ 35,000   |                   |
| Add: interest for default in the payment of advance tax — NOT COMPUTED. Interest under sections 423 to 425 is ignored in this paper [section 424]                      |            | ₹ 0               |
| Add: interest for deferment of advance tax — NOT COMPUTED. Interest under sections 423 to 425 is ignored in this paper [section 425]                                   |            | ₹ 0               |
| Add: fee for a return furnished after the due date — nil, the return having been furnished on 25 July 2027, within the due date of 31 July 2027 [section 428(a)]       |            | ₹ 0               |
| <b>Total tax, fee and interest, rounded off [section 516]</b>                                                                                                          |            | <b>₹ 7,72,290</b> |
| Less: advance tax paid — Schedule IT [sections 404 to 408]                                                                                                             | ₹ 2,10,000 |                   |
| Less: self-assessment tax paid — Schedule IT [section 266]                                                                                                             | ₹ 35,000   |                   |
| Less: tax deducted from salary or pension — Schedule TDS [section 392]                                                                                                 | ₹ 4,05,000 |                   |
| Less: tax deducted from the interest on fixed deposits — Schedule TDS [section 393(1), Table Sl. No. 5(ii)]                                                            | ₹ 19,500   |                   |
| Less: tax deducted from the dividend — Schedule TDS [section 393(1), Table Sl. No. 7]                                                                                  | ₹ 12,500   |                   |
| Less: tax deducted from the rent of Property 1 by the tenant, an individual having no tax deduction account number — Schedule TDS [section 393(1), Table Sl. No. 2(i)] | ₹ 13,440   |                   |
| <b>Total taxes paid</b>                                                                                                                                                |            | <b>₹ 6,95,440</b> |
| <b>AMOUNT PAYABLE, rounded off [section 266]</b>                                                                                                                       |            | <b>₹ 76,850</b>   |

**The three figures to check**

**Total income ₹ 32,08,280      Total tax, fee and interest ₹ 7,72,290      Amount payable ₹ 76,850**

**Schedule XV of this solution****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                               |
|         | <b>Total of the payments</b>                                                 | <b>₹ 1,62,000</b>                     |                                                 |
|         | <b>Deduction allowed — restricted to the statutory ceiling [section 123]</b> | <b>₹ 1,50,000</b>                     |                                                 |

**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                |

Schedule XV is filled because (A20) is Yes. Every payment is entered at its full amount; section 123 then allows their total of ₹ 1,62,000 only up to the ceiling of ₹ 1,50,000. The health insurance premium is allowed in full under section 126.

## The two solutions of this case, side by side

### What moves when (A20) moves, and nothing else does

The facts of the case do not change with the regime. What changes is what the Act allows against them: the standard deduction of section 19(1), the tax on employment, the interest on a self-occupied house under section 22(1)(b), the set-off of a loss under section 109(1)(b), the family pension deduction of section 93(1)(d), the whole of Chapter VIII, the slab table, and the rebate of section 156.

Read the table downwards and you can see, line by line, exactly what section 202(2) takes away and what Paragraph A gives back.

Nothing on this page is needed in order to work the case. A student sitting the practical works one regime at a time and never turns to it. It is for the revision class afterwards, and for the teacher.

### Case 13.5 — Shri Rajeev Menon, Bengaluru

| Particulars                                                                             | Solution 1<br>NEW regime<br>(A20) = No | Solution 2<br>OLD regime<br>(A20) = Yes |
|-----------------------------------------------------------------------------------------|----------------------------------------|-----------------------------------------|
| Income from salaries                                                                    | ₹ 29,05,000                            | ₹ 29,27,600                             |
| Income from house property                                                              | ₹ 2,01,880                             | ₹ 1,880                                 |
| Income from other sources                                                               | ₹ 3,54,800                             | ₹ 3,54,800                              |
| Long-term capital gain                                                                  | ₹ 1,08,000                             | ₹ 1,08,000                              |
| Gross total income                                                                      | ₹ 35,69,680                            | ₹ 33,92,280                             |
| Deductions allowed under Chapter VIII                                                   | —                                      | ₹ 1,84,000                              |
| TOTAL INCOME                                                                            | ₹ 35,69,680                            | ₹ 32,08,280                             |
| Tax on the total income                                                                 | ₹ 6,18,504                             | ₹ 7,42,584                              |
| Health and education cess                                                               | ₹ 24,740                               | ₹ 29,703                                |
| TOTAL TAX AND CESS                                                                      | ₹ 6,43,244                             | ₹ 7,72,287                              |
| Interest for default in advance tax [section 424] — not computed, ignored in this paper | —                                      | —                                       |
| Total tax, fee and interest                                                             | ₹ 6,43,240                             | ₹ 7,72,290                              |
| Advance tax paid                                                                        | ₹ 2,10,000                             | ₹ 2,10,000                              |
| Self-assessment tax paid                                                                | ₹ 35,000                               | ₹ 35,000                                |
| Tax deducted at source                                                                  | ₹ 4,50,440                             | ₹ 4,50,440                              |
| Total taxes paid                                                                        | ₹ 6,95,440                             | ₹ 6,95,440                              |
| AMOUNT PAYABLE                                                                          | —                                      | ₹ 76,850                                |
| REFUND DUE                                                                              | ₹ 52,200                               | —                                       |

### Which regime costs this assessee less

For Shri Rajeev Menon the cheaper of the two is the NEW regime — he should leave (A20) at No and stay in the default regime, by ₹ 1,29,043 of tax and cess.

**The same solutions, filled into the Excel workbook**

Both solutions are filled field by field in Form ITR-1 SAHAJ in two macro-enabled workbooks, free from [www.taxclasses.in](http://www.taxclasses.in): “ITR-1 TY 2026-27 - Case 5 - New Regime (filled).xslm” for Solution 1 and “ITR-1 TY 2026-27 - Case 5 - Old Regime (filled).xslm” for Solution 2. After downloading, right-click the file, choose Properties, tick Unblock and click OK; then open it and click Enable Content on the yellow bar. Click Calculate Tax to see the figures of the solution, and Generate JSON to check the entries; the buttons will not work until both of those steps are done.

*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.*

Advocate Dr. S. B. Rathore