

CASE 13.1**Shri Arun Malhotra**

New Delhi · Below 60 years · salary

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

1. Shri Arun Malhotra, son of Shri Ram Kishore Malhotra, was born on 14 September 1984 and is resident and ordinarily resident in India. His permanent account number is AMKPM7421C and his Aadhaar number 5312-8874-2610. He lives at B-27, Vasant Enclave, Sector 11 Road, Rohini, New Delhi 110085, in the State of Delhi; his mobile number is 9811203456 and his e-mail address arun.malhotra@gmail.com.

2. He was in employment throughout the tax year 2026-27 with Trident Infotech (India) Private Limited, a company in the private sector, whose tax deduction account number is DELT03421F. The salary for the year, in the gross amount, came to ₹ 31,00,000. He received no perquisite and no profit in lieu of salary, and no allowance of any kind was paid to him. No professional tax is levied in Delhi.

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 B-27, Vasant Enclave, Sector 11 Road, Rohini, New Delhi 110085, in the State of Delhi, was in his own occupation throughout the year. He had acquired it with a loan of ₹ 42,00,000 from the State Bank of India, Home Loan Account No. 38451276093, sanctioned on 12 May 2018, the acquisition being completed in that year. Of the loan, ₹ 31,85,400 was outstanding on 31 March 2027, and the interest on it for the year came to ₹ 2,80,000.

4. The second house, at House No. 44, Vasundhara Enclave, Sector 5 Road, Vasundhara, Ghaziabad 201012, in the State of Uttar Pradesh, was let for the whole year to Shri Mohan Lal Sharma, whose permanent account number is BXYPS4512M, at a rent of ₹ 3,60,000, the whole of which was realised. He paid ₹ 18,000 to the local authority during the year. He had acquired that house with a loan of ₹ 25,00,000 from HDFC Bank Limited, Home Loan Account No. 612874903, sanctioned on 20 August 2021; ₹ 21,64,200 of it was outstanding on 31 March 2027, and the interest on it for the year came to ₹ 1,90,000. 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 as follows —

Income	Amount
Interest credited to his savings bank account	₹ 22,000
Interest on fixed deposits, in the gross amount before the tax deducted	₹ 1,85,000
Dividend on listed equity shares, in the gross amount, declared and paid on 10 June 2026	₹ 95,000
Interest received on an income-tax refund	₹ 6,300
Total	₹ 3,08,300

6. 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	₹ 35,000	LIC/2019/000456
Life insurance premium — HDFC Life Insurance Company Limited	₹ 25,000	HDFC/2020/678542
Contribution to provident fund	₹ 50,000	PF/TDS/2026-27/AM/0087456
Tuition fees, first child	₹ 29,000	RPS/2026-27/04517
Tuition fees, second child	₹ 29,000	RPS/2026-27/04518
Total — life insurance, provident fund and tuition fees	₹ 1,68,000	
Health insurance premium, paid otherwise than in cash — National Insurance Company Limited	₹ 25,000	NINS/2022/A789456

Payment	Amount	Policy / document no.
Interest credited to his savings account	₹ 22,000	

7. He paid advance tax at the State Bank of India, Rohini Sector 11 branch, whose branch code is 0510308, by the challans below. He paid nothing after 31 March 2027.

Date of deposit	Amount	Challan No.	Remarks
15 June 2026	₹ 30,000	00417	Advance tax
15 September 2026	₹ 50,000	01293	Advance tax
15 December 2026	₹ 45,000	02864	Advance tax
15 March 2027	₹ 55,000	04519	Advance tax

8. 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	₹ 4,20,000	Trident Infotech (India) Private Limited	DELT03421F
Interest on his fixed deposits	₹ 18,500	State Bank of India	DELS54321B
Dividend	₹ 9,500	Bharat Cements Limited	MUMB07219C
Total	₹ 4,48,000		

9. Any refund is to be credited to his savings account no. 31234567890 with the State Bank of India, the IFS code of that branch being SBIN0000691. 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 New Delhi 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	AMKPM7421C
A2 / A2a / A3	First, middle and last name	Arun / (none) / Malhotra
A4	Date of birth	14/09/1984
A4a	Age category — the sheet computes it from A4	Below 60 years
A5	Aadhaar number	5312-8874-2610
A6(a)	Primary mobile number	9811203456
A7(a)	Primary e-mail	arun.malhotra@gmail.com
A8(a)	Flat / Door / Block No.	B-27
A9(a)	Name of premises / building	Vasant Enclave
A10(a)	Road / Street / Post Office	Sector 11 Road
A10(a)	Area / Locality ★ mandatory	Rohini
A11(a)	Town / City / District ★ mandatory	New Delhi
A12(a) / A13(a)	State / Country	Delhi / India
A14(a)	PIN code	110085
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 Ram Kishore Malhotra · Self · New Delhi

Part B1 — salary and pension

Ref.	Particulars	Amount
B1(i)(a)	Salary from Trident Infotech (India) Private Limited, TAN DELT03421F	₹ 31,00,000

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 — no professional tax is levied in Delhi	₹ 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.	B-27	House No. 44
	Premises / building	Vasant Enclave	Vasundhara Enclave
	Road / Post Office	Sector 11 Road	Sector 5 Road
	Area / Locality ★	Rohini	Vasundhara
	Town / City ★	New Delhi	Ghaziabad
	State · PIN	Delhi · 110085	Uttar Pradesh · 201012
	Occupancy	Self-occupied	Let out
	Co-owned? · share	No · 100%	No · 100%
	Name of the tenant	—	Shri Mohan Lal Sharma
	PAN of the tenant	—	BXYPS4512M
1a / 2a	Gross rent received or receivable	Nil — self-occupied	₹ 3,60,000
1b / 2b	Rent which could not be realised	₹ 0	₹ 0
1c / 2c	Taxes paid to the local authority	₹ 0	₹ 18,000
1h / 2h	Interest on borrowed capital (col. vii)	₹ 2,80,000	₹ 1,90,000
h (i)	Loan taken from	Bank	Bank
h (ii)	Name of the bank / institution	State Bank of India	HDFC Bank Limited
h (iii)	Loan account number	38451276093	612874903
h (iv)	Date of sanction of the loan	12/05/2018	20/08/2021
h (v)	Total amount of the loan	₹ 42,00,000	₹ 25,00,000
h (vi)	Loan outstanding on 31/03/2027	₹ 31,85,400	₹ 21,64,200
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 2 is let out, so its loan particulars are entered under both regimes. For Property 1, the self-occupied house, the interest is allowed only where (A20) is Yes, that is, for Solution 2; 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	₹ 22,000
B3(b)	Interest on fixed deposits, gross, before the tax deducted	₹ 1,85,000
B3(c)	Interest received on an income-tax refund	₹ 6,300
B3(d)	Dividend on listed equity shares, gross — declared and paid on 10 June 2026, so period (i) — up to 15 June 2026	₹ 95,000

Part C — the deductions claimed

Section	Particulars	Claimed
123	Life insurance premia, provident fund and the tuition fees of his children	₹ 1,68,000
126	Health insurance premia paid otherwise than in cash	₹ 25,000
153	Interest on a savings account	₹ 22,000

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	₹ 35,000	LIC/2019/000456
2	Life insurance premium	₹ 25,000	HDFC/2020/678542
3	Contribution to provident fund	₹ 50,000	PF/TDS/2026-27/AM/0087456
4	Tuition fees — first child	₹ 29,000	RPS/2026-27/04517
5	Tuition fees — second child	₹ 29,000	RPS/2026-27/04518

Schedule XV — section 126: details of insurance

Sl. No.	Name of the Insurer (Insurance company)	Policy Number	Health Insurance amount
1	National Insurance Company Limited	NINS/2022/A789456	₹ 25,000

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 E, Schedule IT and Schedule TDS

Ref.	IFS code	Name of the bank	Account number	For refund?
Part E B1	SBIN0000691	State Bank of India	31234567890	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	0510308	15/06/2026	00417	₹ 30,000	Advance tax
R2	0510308	15/09/2026	01293	₹ 50,000	Advance tax
R3	0510308	15/12/2026	02864	₹ 45,000	Advance tax

Sl.	BSR code	Date of deposit	Challan No.	Tax paid	Which it is
R4	0510308	15/03/2027	04519	₹ 55,000	Advance tax

Every challan was deposited at the State Bank of India, Rohini Sector 11 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 ₹ 1,80,000 and the self-assessment tax to nil.

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	DELTO3421F	—	Trident Infotech (India) Private Limited	392	₹ 4,20,000
T2	DELS54321B	—	State Bank of India	393(1) Sl.5(ii)	₹ 18,500
T3	MUMB07219C	—	Bharat Cements Limited	393(1) Sl.7	₹ 9,500

The whole of the tax deducted is claimed as credit in this year, so the two money columns of the Schedule carry the same figure. No tax was deducted from the rent, the monthly rent being below ₹ 50,000.

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
—	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.