UNIVERSITY OF DELHI

INCOME TAX

LAW AND PRACTICE

DSC 5.1

B.Com (Hons.) | B.Com (Prog.) — Third Year, Semester V

FIVE CASES

ON FORM ITR-1 SAHAJ

EVERY CASE SOLVED UNDER BOTH REGIMES

Five assessees, each with his own figures · one or two house properties in each

Salary · pension · family pension · senior and very senior citizens

Self-occupied and let out, with home loans · savings bank and fixed deposit interest

Allowances and HRA · employer's NPS · gifts · donations · dividend · long-term capital gains

Advance tax and self-assessment tax · TDS on salary, interest, dividend and rent

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Governed by the INCOME-TAX ACT, 2025

(Act No. 30 of 2025, as amended by the Finance Act, 2026, with the Income-tax Rules, 2026)

TAX YEAR 2026-27

1 April 2026 to 31 March 2027 · New Regime and Old Regime · There is no assessment year

For academic purposes only — this is not a form or a utility issued by the Income Tax Department

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FREE STUDY MATERIAL · NOT FOR SALE

Advocate Dr. S. B Rathore

About this booklet, and a request

This booklet has been prepared by Artificial Intelligence — Claude (Anthropic) — under the guidance and supervision of Advocate Dr. S. B. Rathore, from the bare text of the Income-tax Act, 2025 and the Income-tax Rules, 2026, as downloaded from incometaxindia.gov.in.

Suggestions on presentation, and reports of any discrepancy, are warmly invited.

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Suggestions and corrections are welcome

The teachers of the colleges are invited to comment freely on these cases, on the figures and on the manner of presentation, so that the material may be improved before the practical is held.

Advocate Dr. S. B. Rathore

Who this booklet is for

The Income-tax Act, 2025 came into force on 1 April 2026 and did away with the previous year and the assessment year together, putting the tax year in their place.

The two solutions given for every case

- Solution 1 — the NEW regime. The answer to the regime question is No: income-tax is computed under section 202(1). The Act calls this the DEFAULT regime, because it applies unless the assessee opts out.
- Solution 2 — the OLD regime. The answer is Yes: the option under section 202(4) of opting out of the default regime has been exercised, and 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 this the Alternative (old) regime.

New and default are two words for the first; old and alternative are two words for the second. Use whichever pair your teacher uses, but know that they mean the same two things. The solutions, and the two filled workbooks of each case, are always in this order — the new regime first.

One blank workbook gives both answers

Fill the form once, with the regime question "Do you wish to opt out of the default regime [section 202(4)]?" answered No, press Calculate Tax, and write down the figures. Then answer Yes, add what only the old regime allows — the exempt allowances and the Sch-HRA sheet, the Schedule XV payments on the S-123 sheet, the health insurance on S-126, the education loan on S-129-132, the donations on S-133 and S-137, the deductions under sections 128 and 153, and the loan particulars of a self-occupied house — and press Calculate Tax again. Every other entry stays as it was: not one entry in Part A, not one figure of salary, rent or other sources, not one challan and not one TDS certificate changes.

Ten separate computations move when the answer changes: the exemption of the house rent and other allowances, the standard deduction, the tax on employment, the interest on a self-occupied house, the set-off of a loss under that head, the family pension deduction, the whole of Chapter VIII save section 124, the slab table, the rebate and, through them all, the tax. Each case comes with two filled workbooks, "… - New Regime (filled).xlsm" and "… - Old Regime (filled).xlsm", which carry exactly the figures of its two solutions.

Advocate Dr.

The prescribed syllabus

Department of Commerce, University of Delhi — DSC 5.1, Income Tax Law and Practice, Semester V. These cases belong to Unit 5 (B), and draw upon Units 2, 4 and 5 (A).

Unit	Prescribed content	Where dealt with
Unit 1	Introduction — basic concepts: income, agricultural income, person, assessee, tax year; residential status and scope of total income; incomes exempt from tax	Unit 1 booklet (Introduction)
Unit 2	Computation of Income under Different Heads-1 — income from salaries; income from house property	Unit 2 Part A (Salaries); Unit 2 Part B (House Property)
Unit 3	Computation of Income under Different Heads-2 — profits and gains of business or profession; capital gains	Unit 3 Part A (Business or Profession); Unit 3 Part B (Capital Gains)
Unit 4	Income from other sources; income of other persons included in the assessee's total income; set-off and carry forward of losses	Unit 4 Part A (Other Sources); Unit 4 Part B (Clubbing and Set-off)
Unit 5 (A)	Deductions from gross total income; rebates and reliefs	Unit 5 Part A (Deductions, Rebates and Reliefs)
Unit 5 (B)	Computation of total income and tax liability of individuals; filing of returns of income on-line and TDS	Unit 5 Part B (Total Income and Tax Liability) — this booklet

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Rates, rebate and limits

These are the rates for tax year 2026-27, and the limits the Act sets against each deduction.

1 The new regime — the default regime of section 202(1)

The Table to section 202(1) of the Income-tax Act, 2025. It applies unless the assessee opts out. Seven slabs, and no distinction of age.

Total income	Rate of tax	Note
Up to ₹ 4,00,000	Nil	
₹ 4,00,001 to ₹ 8,00,000	5 per cent	
₹ 8,00,001 to ₹ 12,00,000	10 per cent	
₹ 12,00,001 to ₹ 16,00,000	15 per cent	
₹ 16,00,001 to ₹ 20,00,000	20 per cent	
₹ 20,00,001 to ₹ 24,00,000	25 per cent	
Above ₹ 24,00,000	30 per cent	Every one of these five cases reaches this slab

2 The old regime — Paragraph A, available on opting out

Paragraph A of Part I-B of the First Schedule to the Finance Act, 2026, available only where the option under section 202(4) has been exercised. Three age columns.

Total income	Below 60	60 but below 80	80 or more
Up to ₹ 2,50,000	Nil	Nil	Nil
₹ 2,50,001 to ₹ 3,00,000	5 per cent	Nil	Nil
₹ 3,00,001 to ₹ 5,00,000	5 per cent	5 per cent	Nil
₹ 5,00,001 to ₹ 10,00,000	20 per cent	20 per cent	20 per cent
Above ₹ 10,00,000	30 per cent	30 per cent	30 per cent

3 The rebate, the cess and the rounding off

Section	Applies where	The rebate
156(1)	The option under section 202(4) has been exercised and the total income does not exceed ₹ 5,00,000	One hundred per cent of the income-tax, or ₹ 12,500, whichever is less
156(2)(a)	Income-tax is chargeable under section 202(1) and the total income does not exceed ₹ 12,00,000	One hundred per cent of the income-tax, or ₹ 60,000, whichever is less
156(2)(b)	Income-tax is chargeable under section 202(1), the total income exceeds ₹ 12,00,000, and the tax exceeds the excess over ₹ 12,00,000	Tax less (total income less ₹ 12,00,000). Exhausted at ₹ 12,70,588
156(3)	Always	A ceiling: the deduction under sub-section (2) shall not exceed the income-tax payable at the rates in section 202(1)

The health and education cess is four per cent of the income-tax after rebate, under section 2 of the Finance Act, 2026. Surcharge does not arise: it begins at a total income of ₹ 50,00,000, and ITR-1 may not be used at all beyond that figure. The total income and every amount payable or refundable are rounded off under section 516 to the nearest multiple of ten rupees.

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The sections used in this booklet

Every one of them is a section of the Income-tax Act, 2025. Quote these numbers, and no others.

The matter	Section
The tax year, and the charge	3, 4
Salary, and what it includes	15 to 18
Allowances exempt — house rent allowance, and the allowances the Rules prescribe (children education, conveyance, uniform)	Schedule III, Table Sl. Nos. 11 to 13; Rules 279 and 280
Standard deduction from salary — ₹ 75,000, or ₹ 50,000 on opting out	19(1), Table Sl. No. 2
Tax on employment	19(1), Table Sl. No. 1
Annual value	21(1) to 21(5)
Self-occupied property — the annual value is nil	21(6)
Taxes paid to the local authority	21(7)(b)
Thirty per cent of the annual value	22(1)(a)
Interest on borrowed capital — ₹ 2,00,000 for both self-occupied houses together	22(1)(b)
Income from house property	20
Co-ownership	24
Set-off of a loss under the head house property — ceiling ₹ 2,00,000	109(1)(b)
Carry forward of the balance — for which ITR-1 may not be used	110
Income from other sources	92
Sums of money received without consideration — the whole, if above ₹ 50,000 from persons who are not relatives	92(2)(m)
Deduction in respect of family pension	93(1)(d)
Gross total income	122(10)
Life insurance premia, provident fund, tuition fees — ₹ 1,50,000	123
Employer's contribution to the pension scheme — 10 per cent of salary, 14 per cent under the default regime	124(1) and (2)
Health insurance premia	126
Medical treatment of a specified disease	128
Interest on loan for higher education · donations (cash above ₹ 2,000 gets nothing) · political parties (never in cash)	129 · 133 · 137
Interest on deposits — ₹ 10,000, or ₹ 50,000 for a senior citizen	153
Rebate	156
Long-term capital gains on listed equity shares held over twelve months [section 2(101)(b)] — the first ₹ 1,25,000 bears no tax	198
The default regime, and its rates · opting out of it	202(1) · 202(4)
What the default regime denies	202(2)(a)
No set-off of a house property loss under the default regime	202(2)(b)
Rounding off	516
Return of income, and the due date of 31 July 2027	263(1)

The matter	Section
Belated return · revised return	263(4) · 263(5)
Verification of the return	265
Self-assessment tax	266
Advance tax, and who must pay it	404 to 408
Interest — return furnished late · default in the payment of advance tax · deferment of advance tax	423 · 424 · 425
Fee for a late return	428(a)
Tax deducted from salary or pension	392
Tax deducted from interest and dividend	393(1)
Tax deducted from rent by an individual or Hindu undivided family — rent above ₹ 50,000 a month	393(1), Table Sl. No. 2(i)
Refund	431 and 437

Appendix — the form, and the workbook

	Tax Year 2026-27
The Act	Income-tax Act, 2025 (Act No. 30 of 2025), as amended by the Finance Act, 2026, with the Income-tax Rules, 2026
The period	1 April 2026 to 31 March 2027. There is no previous year and no assessment year — section 3
The form	The classroom workbook "ITR-1 TY 2026-27 (template).xlsm", built on the pattern of the Income Tax Department's own ITR-1 Excel utility, which speaks the language of the Act of 2025; and for each case two filled workbooks, one for each regime
What it is not	It is not a form or a utility issued by the Income Tax Department, it cannot be filed, and the JSON it writes is not to be uploaded anywhere
Due date	31 July 2027 — section 263(1)(c), Table Sl. No. 5
Date assumed in these five cases	25 July 2027 — the date of verification; within time, so no fee under section 428(a) arises
Advance tax	The challans of Schedule IT deposited on or before 31 March 2027 — sections 404 to 408
Self-assessment tax	The challans deposited after 31 March 2027 — section 266
The regime question	"Do you wish to opt out of the default regime [section 202(4)]?" — answered with the Yes and No buttons on the Income Details sheet. No leaves the assessee in the default regime of section 202(1); Yes takes him to Paragraph A

The seven gates the form must pass

ITR-1 SAHAJ is for an individual who is resident and ordinarily resident, with a total income of not more than ₹ 50,00,000, made up of salary or pension, at most two house properties, income from other sources, and long-term capital gains under section 198 of not more than ₹ 1,25,000.

He must not be a director in any company, must hold no unlisted equity share, must have had no tax deducted from him on a cash withdrawal under section 393(3), must have no agricultural income above ₹ 5,000, and must hold no asset or signing authority outside India. Each of these five assessees passes every gate.

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.

Case 13.1 - *Generate the income-tax return in Form ITR-1 SAHAJ for the tax year 2026-27*

Required - **(a)** under the new regime, section 202(1); **(b)** under the old regime, option of section 202(4) exercised.
Interest under sections 423, 424 and 425 is not to be computed.

Name	Arun Malhotra
Father's Name	Ram Kishore Malhotra
PAN	AMKPM7421C
Aadhaar No.	5312-8874-2610
Date of birth	14/09/1984
Address	B-27, Vasant Enclave, Sector 11 Road, Rohini, New Delhi - 110085 (Delhi)
Mobile No.	9811203456
e-mail ID	arun.malhotra@gmail.com
Residential status	Resident and ordinarily resident
Return to be filed under which section	263(1), original return (not a revised return; not in response to any notice)
Name of employer	Trident Infotech (India) Private Limited (a company in the private sector)
TAN of employer	DELT03421F
Nature of employment	Others
Return filed under the seventh proviso	No
Representative assessee	No
No. of bank accounts held in India	1
Details of bank account	Name of bank: State Bank of India Account No.: 31234567890 IFS Code: SBIN0000691 Type of account: Savings Refund to be credited: Yes
Date of filing	25/07/2027 (the due date being 31/07/2027)
Place of filing return	New Delhi
Verification	By the assessee himself, in the capacity of Self

Income details - Income details are given below –

	Rs.
Income from salary (as per Form No. 130 given by employer)	
Salary for the year, in the gross amount	31,00,000
(No perquisite, no profit in lieu of salary and no allowance of any kind; no professional tax is levied in Delhi)	
Income from house property - Property 1 (self-occupied) (address given above)	
Interest on borrowed capital	2,80,000
Income from house property - Property 2 (let out for the whole year)	
Address : House No. 44, Vasundhara Enclave, Sector 5 Road, Vasundhara, Ghaziabad - 201012 (Uttar Pradesh)	
Tenant : Shri Mohan Lal Sharma (PAN : BXYPS4512M)	
Rent received for the year (the whole of it realised)	3,60,000
Municipal tax paid during the year	18,000
Interest on borrowed capital	1,90,000
(No arrears of rent and no unrealised rent; sole owner of both houses, 100 per cent)	
Income from other sources	
Interest on savings bank account	22,000
Interest on fixed deposits (gross, before TDS)	1,85,000
Dividend on listed equity shares (declared and paid on 10/06/2026)	95,000
Interest on income-tax refund	6,300

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	Rs.
Deductions claimed from gross total income	
Under section 123 [life insurance premium Rs. 60,000, provident fund Rs. 50,000, tuition fees of two children Rs. 58,000]	1,68,000
Under section 126 [health insurance premium for the assessee and his family, paid otherwise than in cash]	25,000
Under section 153 [interest on savings account]	22,000

Taxes paid - Details of taxes paid are given below –

	Rs.
Tax deducted at source (the whole of it claimed as credit in this tax year)	
- By employer (TAN of employer : DELT03421F)	4,20,000
- By bank on FD interest (State Bank of India, TAN : DELS54321B)	18,500
- On dividend (Bharat Cements Limited, TAN : MUMB07219C)	9,500
Advance tax paid by assessee (State Bank of India, Rohini Sector 11 branch, BSR Code : 0510308)	
- Tax paid on 15/06/2026 (Challan No. : 00417)	30,000
- Tax paid on 15/09/2026 (Challan No. : 01293)	50,000
- Tax paid on 15/12/2026 (Challan No. : 02864)	45,000
- Tax paid on 15/03/2027 (Challan No. : 04519)	55,000

Other information - Based on the records submitted by the assessee, the following information has been noted –

Interest on housing loan	**Particulars**	**Property 1** (self-occupied)	**Property 2** (let out)
	Loan taken from bank/institution	Bank	Bank
	Name of bank	State Bank of India	HDFC Bank Limited
	Loan account number	38451276093	612874903
	Date of sanction of loan	12/05/2018	20/08/2021
	Total amount of loan	Rs. 42,00,000	Rs. 25,00,000
	Loan outstanding as on 31/03/2027	Rs. 31,85,400	Rs. 21,64,200
	Interest for the year	Rs. 2,80,000	Rs. 1,90,000

Deduction under section 123	**Nature of payment**	**Policy / document no.**	**Rs.**
	Life insurance premium - Life Insurance Corporation of India	LIC/2019/000456	35,000
	Life insurance premium - HDFC Life Insurance Company Limited	HDFC/2020/678542	25,000
	Contribution to provident fund	PF/TDS/2026-27/AM/0087456	50,000
	Tuition fees, first child	RPS/2026-27/04517	29,000
	Tuition fees, second child	RPS/2026-27/04518	29,000
Deduction under section 126 (health insurance policy - assessee and his family)	**Name of insurance company**	**Policy no.**	**Rs.**
	National Insurance Company Limited	NINS/2022/A789456	25,000

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Case 13.2 - *Generate the income-tax return in Form ITR-1 SAHAJ for the tax year 2026-27*

Required - **(a)** under the new regime, section 202(1); **(b)** under the old regime, option of section 202(4) exercised.
Interest under sections 423, 424 and 425 is not to be computed.

Name	Kamala Iyer
Father's Name	Subramanian Iyer
PAN	AKJPI3856F
Aadhaar No.	7420-1935-6682
Date of birth	22/11/1963
Address	14, Mangal Vihar, Tonk Road, Jawahar Nagar, Jaipur - 302004 (Rajasthan)
Mobile No.	9829114570
e-mail ID	kamala.iyer@gmail.com
Residential status	Resident and ordinarily resident
Return to be filed under which section	263(1), original return (not a revised return; not in response to any notice)
Name of employer	Rajputana Cements Limited (salary until retirement on 30/06/2026, and pension thereafter)
TAN of employer	JPRK03127F
Nature of employment	Pensioners - Others
Return filed under the seventh proviso	No
Representative assessee	No
No. of bank accounts held in India	1
Details of bank account	Name of bank: Punjab National Bank Account No.: 65004321987 IFS Code: PUNB0123400 Type of account: Savings Refund to be credited: Yes
Date of filing	25/07/2027 (the due date being 31/07/2027)
Place of filing return	Jaipur
Verification	By the assessee herself, in the capacity of Self

Income details - Income details are given below –

	Rs.
Income from salary and pension (as per Form No. 130 given by employer)	
Salary until retirement on 30/06/2026, and pension thereafter, in the gross amount	31,20,000
(No perquisite, no profit in lieu of salary and no allowance of any kind; no professional tax is levied in Rajasthan)	
Income from house property - Property 1 (self-occupied) (address given above)	
Interest on borrowed capital	2,15,000
Income from house property - Property 2 (let out for the whole year)	
Address : Plot 118, Shalimar Garden, Sahibabad Road, Shalimar Garden Extension, Ghaziabad - 201005 (Uttar Pradesh)	
Tenant : Shri Devendra Nath Tyagi (PAN : BLQPT7734R)	
Rent received for the year (the whole of it realised)	4,20,000
Municipal tax paid during the year	21,000
Interest on borrowed capital	1,45,000
(No arrears of rent and no unrealised rent; sole owner of both houses, 100 per cent)	
Income from other sources	
Interest on savings bank account	31,000
Interest on fixed deposits (gross, before TDS)	2,60,000
Dividend on listed equity shares (declared and paid on 22/08/2026)	1,40,000
Interest on income-tax refund	11,400

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	Rs.
Deductions claimed from gross total income	
Under section 123 [life insurance premium Rs. 59,000, provident fund Rs. 36,000, tuition fees of two children Rs. 60,000]	1,55,000
Under section 126 [health insurance premium for the assessee herself, paid otherwise than in cash]	50,000
Under section 153 [interest on deposits - savings account and fixed deposits; the assessee is a senior citizen]	2,91,000

Taxes paid - Details of taxes paid are given below –

	Rs.
Tax deducted at source (the whole of it claimed as credit in this tax year)	
- By employer, on salary and pension (TAN of employer : JPRK03127F)	4,90,000
- By bank on FD interest (State Bank of India, TAN : JPRS02914C)	26,000
- On dividend (Bharat Cements Limited, TAN : MUMB07219C)	14,000
Advance tax paid by assessee (Punjab National Bank, Jawahar Nagar branch, BSR Code : 0301127)	
- Tax paid on 15/06/2026 (Challan No. : 00238)	35,000
- Tax paid on 15/09/2026 (Challan No. : 01476)	55,000
- Tax paid on 15/12/2026 (Challan No. : 02951)	60,000
Self-assessment tax paid by assessee (Punjab National Bank, Jawahar Nagar branch, BSR Code : 0301127)	
- Tax paid on 10/06/2027 (Challan No. : 06382)	80,000

Other information - Based on the records submitted by the assessee, the following information has been noted –

Interest on housing loan	**Particulars**	**Property 1** (self-occupied)	**Property 2** (let out)
	Loan taken from bank/institution	Bank	Bank
	Name of bank	Bank of Baroda	Punjab National Bank
	Loan account number	29840600011257	0301007700045612
	Date of sanction of loan	05/03/2016	18/07/2019
	Total amount of loan	Rs. 30,00,000	Rs. 20,00,000
	Loan outstanding as on 31/03/2027	Rs. 24,65,300	Rs. 16,72,800
	Interest for the year	Rs. 2,15,000	Rs. 1,45,000

Deduction under section 123	**Nature of payment**	**Policy / document no.**	**Rs.**
	Life insurance premium - Life Insurance Corporation of India	LIC/2008/007315	38,000
	Life insurance premium - ICICI Prudential Life Insurance Company Limited	ICPL/2014/362841	21,000
	Contribution to provident fund	PF/TDS/2026-27/KI/0031582	36,000
	Tuition fees, first child	JPC/2026-27/11842	32,000
	Tuition fees, second child	JPC/2026-27/11843	28,000
Deduction under section 126 (health insurance policy - the assessee herself)	**Name of insurance company**	**Policy no.**	**Rs.**
	Star Health and Allied Insurance Company Limited	SHAI/2021/P348215	50,000

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Case 13.3 - *Generate the income-tax return in Form ITR-1 SAHAJ for the tax year 2026-27*

Required - **(a)** under the new regime, section 202(1); **(b)** under the old regime, option of section 202(4) exercised.
Interest under sections 423, 424 and 425 is not to be computed.

Name	Hukam Chand Bansal
Father's Name	Devi Dayal Bansal
PAN	ABLPB2947H
Aadhaar No.	6103-4478-9251
Date of birth	08/02/1945
Address	Flat 9C, Kaveri Towers, Cathedral Road, Gopalapuram, Chennai - 600086 (Tamil Nadu)
Mobile No.	9840236714
e-mail ID	hc.bansal@gmail.com
Residential status	Resident and ordinarily resident
Return to be filed under which section	263(1), original return (not a revised return; not in response to any notice)
Pension disbursed by	Indian Bank (pension disbursing branch)
TAN of the pension disbursing branch	CHEI04563G
Nature of employment	Pensioners - Others
Return filed under the seventh proviso	No
Representative assessee	No
No. of bank accounts held in India	1
Details of bank account	Name of bank: Indian Bank Account No.: 40012398765 IFS Code: IDIB000G045 Type of account: Savings Refund to be credited: Yes
Date of filing	25/07/2027 (the due date being 31/07/2027)
Place of filing return	Chennai
Verification	By the assessee himself, in the capacity of Self

Income details - Income details are given below –

	Rs.
Income from pension (as per Form No. 130 given by the pension disbursing branch)	
Pension for the year, in the gross amount	32,00,000
(No perquisite, no profit in lieu of salary and no allowance of any kind; no tax on employment, he being a pensioner)	
Income from house property - Property 1 (self-occupied) (address given above)	
Interest on borrowed capital	3,10,000
Income from house property - Property 2 (self-occupied)	
Address : C-9, Kaushambi Apartments, Link Road, Kaushambi, Ghaziabad - 201010 (Uttar Pradesh)	
Interest on borrowed capital	2,35,000
(Both houses in his own occupation throughout the year; sole owner of both, 100 per cent)	
Income from other sources	
Interest on savings bank account	26,000
Interest on fixed deposits (gross, before TDS)	3,15,000
Dividend on listed equity shares (declared and paid on 05/11/2026)	1,10,000
Family pension, in the gross amount (no tax deducted from it)	3,60,000
Interest on income-tax refund	8,700

Advocate Dr. S. B. Rathore

	Rs.
Deductions claimed from gross total income	
Under section 123 [life insurance premium Rs. 72,000, deposit in Public Provident Fund Rs. 1,00,000]	1,72,000
Under section 126 [health insurance premium for the assessee himself, paid otherwise than in cash]	50,000
Under section 128 [own medical treatment of Parkinson's disease, a specified disease, on the prescription of a specialist]	1,15,000
Under section 153 [interest on deposits - savings account and fixed deposits; the assessee is a senior citizen]	3,41,000

Taxes paid - Details of taxes paid are given below –

	Rs.
Tax deducted at source (the whole of it claimed as credit in this tax year)	
- On pension (Indian Bank, pension disbursing branch, TAN : CHEI04563G)	4,60,000
- By bank on FD interest (State Bank of India, TAN : CHES01276C)	31,500
- On dividend (Bharat Cements Limited, TAN : MUMB07219C)	11,000
Advance tax paid by assessee (Indian Bank, Gopalapuram branch, BSR Code : 0602345)	
- Tax paid on 15/09/2026 (Challan No. : 00734)	80,000
- Tax paid on 15/12/2026 (Challan No. : 02185)	85,000
- Tax paid on 15/03/2027 (Challan No. : 03649)	85,000

Other information - Based on the records submitted by the assessee, the following information has been noted –

Interest on housing loan	**Particulars**	**Property 1** (self-occupied)	**Property 2** (self-occupied)
	Loan taken from bank/institution	Bank	Bank
	Name of bank	Indian Bank	Canara Bank
	Loan account number	6234500019876	2216619004873
	Date of sanction of loan	14/08/2014	22/02/2017
	Total amount of loan	Rs. 45,00,000	Rs. 32,00,000
	Loan outstanding as on 31/03/2027	Rs. 35,82,600	Rs. 26,94,400
	Interest for the year	Rs. 3,10,000	Rs. 2,35,000

Deduction under section 123	**Nature of payment**	**Policy / document no.**	**Rs.**
	Life insurance premium - Life Insurance Corporation of India	LIC/1998/002164	46,000
	Life insurance premium - Max Life Insurance Company Limited	MAXL/2012/518302	26,000
	Deposit in Public Provident Fund - Indian Bank, Gopalapuram branch	PPF A/c 7045123698	1,00,000
Deduction under section 126 (health insurance policy - the assessee himself)	**Name of insurance company**	**Policy no.**	**Rs.**
	The New India Assurance Company Limited	NIA/2019/SC71842	50,000

Advocate Dr. S. B. Rathore

Case 13.4 - *Generate the income-tax return in Form ITR-1 SAHAJ for the tax year 2026-27*

Required - **(a)** under the new regime, section 202(1); **(b)** under the old regime, option of section 202(4) exercised.
Interest under sections 423, 424 and 425 is not to be computed.

Name	Nikhil Deshpande
Father's Name	Anant Rao Deshpande
PAN	AFTPD6132J
Aadhaar No.	2298-6741-3305
Date of birth	03/06/1978
Address	1204, Sagar Darshan, Veera Desai Road, Andheri West, Mumbai - 400053 (Maharashtra) - he has no other address
Mobile No.	9820451163
e-mail ID	nikhil.deshpande@gmail.com
Residential status	Resident and ordinarily resident
Return to be filed under which section	263(1), original return (not a revised return; not in response to any notice)
Name of employer	Konkan Chemicals Limited (a company in the private sector)
TAN of employer	MUMK02845D
Nature of employment	Others
Return filed under the seventh proviso	No
Representative assessee	No
No. of bank accounts held in India	3
Details of bank accounts	Name of bank: HDFC Bank / State Bank of India / ICICI Bank Account No.: 50100234567 / 30418762295 / 004801529836 IFS Code: HDFC0001234 / SBIN0001492 / ICIC0000048 Type of account: Savings / Savings / Savings Refund to be credited: Yes / No / No
Date of filing	25/07/2027 (the due date being 31/07/2027)
Place of filing return	Mumbai
Verification	By the assessee himself, in the capacity of Self

Income details - Income details are given below –

	Rs.
Income from salary (as per Form No. 130 given by employer)	
Basic salary (Rs. 1,40,000 p.m.)	16,80,000
Dearness allowance (Rs. 28,000 p.m.) - one-half enters into retirement benefits under the terms of employment	3,36,000
House rent allowance (Rs. 50,000 p.m.)	6,00,000
Children education allowance (Rs. 8,000 p.m. - Rs. 4,000 p.m. for each of his two children)	96,000
Hostel expenditure allowance (Rs. 10,000 p.m.) - for the elder child, in a school hostel at Panchgani	1,20,000
Conveyance allowance (Rs. 6,000 p.m.) - no free conveyance; Rs. 60,000 spent on conveyance in the performance of duties	72,000
Uniform allowance (Rs. 2,000 p.m.) - Rs. 18,000 spent on the safety uniform worn at the plant at Taloja	24,000
Medical allowance (Rs. 1,250 p.m.)	15,000
City compensatory allowance (Rs. 3,000 p.m.)	36,000
Entertainment allowance (Rs. 2,000 p.m.)	24,000
Performance bonus (March 2027)	2,00,000
Gross salary for the year	**32,03,000**
Tax on employment paid to the Municipal Corporation of Greater Mumbai	2,500
(No perquisite and no profit in lieu of salary. He lives in a rented flat - rent paid is given under other information)	
Income from house property - Property 1, Bandra West, Mumbai (let out for the whole year)	
Address : 8, Shivneri Apartments, S. V. Road, Bandra West, Mumbai - 400050 (Maharashtra)	
Tenant : Shri Vikram Chandra Joshi (PAN : AJTPJ6318K)	
Rent received for the year (the whole of it realised)	8,40,000
Municipal taxes paid during the year	42,000
Interest on borrowed capital	3,25,000
Income from house property - Property 2, Dundahera, Ghaziabad (let out for the whole year)	
Address : D-212, Crossings Republic, NH-24 Service Road, Dundahera, Ghaziabad - 201016 (Uttar Pradesh)	
Tenant : Smt. Rekha Bhardwaj (PAN : CKMPB2298N)	
Rent received for the year (the whole of it realised)	4,80,000
Municipal taxes paid during the year	24,000

Advocate Dr. S. B. Rathore

	Rs.
Interest on borrowed capital	2,10,000
(No arrears of rent and no unrealised rent; sole owner of both houses, 100 per cent)	
Income from other sources	
Interest on savings bank accounts	19,000
Interest on fixed deposits with State Bank of India (gross, before TDS)	2,20,000
Interest on income-tax refund	13,200
Dividend on listed equity shares of Bharat Cements Limited (declared and paid on 28/05/2026)	1,60,000
Sums of money received without consideration	
- 03/06/2026 (his birthday), by UPI, from Shri Rohan Kulkarni, a colleague	15,000
- 03/06/2026, by UPI, from Shri Kedar Deshpande, his cousin (son of his father's brother)	11,000
- 03/06/2026, by cheque, from Shri Madhav Gokhale, his mother's brother	1,00,000
- Diwali, November 2026, by cheque, from Shri Sameer Joshi, a friend	25,000

	Rs.
Deductions claimed from gross total income (details under other information)	
Under section 123 [life insurance, provident fund, tuition fees, housing loan repaid]	3,80,000
Under section 126 [health insurance - self and family, and parents; preventive check-up]	77,000
Under section 129 [interest on education loans]	1,20,600
Under section 133 [donations]	90,000
Under section 137 [contributions to a political party]	50,000
Under section 153 [interest on savings accounts]	19,000

Taxes paid - Details of taxes paid are given below –

	Rs.
Tax deducted at source (the whole of it claimed in this tax year; no tax collected at source)	
- On salary (Form 130; Konkan Chemicals Limited, TAN : MUMK02845D; section 392)	5,30,000
- On FD interest Rs. 2,20,000 (Form 131; State Bank of India, TAN : MUMS03917E; code 1021)	22,000
- On dividend Rs. 1,60,000 (Form 131; Bharat Cements Limited, TAN : MUMB07219C; code 1029)	16,000
- On rent Rs. 8,40,000 (Form 132; Shri Vikram Chandra Joshi, PAN : AJTPJ6318K; code 1007)	16,800
Advance tax paid by assessee (BSR Code : 0230118)	
- Tax paid on 15/09/2026 (Challan No. : 00592)	35,000
- Tax paid on 15/12/2026 (Challan No. : 01807)	40,000
- Tax paid on 15/03/2027 (Challan No. : 03264)	40,000
Self-assessment tax paid by assessee (BSR Code : 0230118)	
- Tax paid on 10/06/2027 (Challan No. : 04933)	9,590

Other information - Based on the records submitted by the assessee, the following information has been noted –

House rent paid	Landlord	PAN of landlord	Rent
	Smt. Asha Mehta - for the flat in which he lived throughout the year (Rs. 48,000 p.m.), paid by transfer to her bank account	BQZPM4417C	Rs. 5,76,000

Interest on housing loan	Particulars	**Property 1** (let out)	**Property 2** (let out)
	Loan taken from bank/institution	Bank	Bank
	Name of bank	ICICI Bank Limited	Axis Bank Limited
	Loan account number	602405018734	920020047812365
	Date of sanction of loan	10/06/2017	16/11/2020
	Total amount of loan	Rs. 45,00,000	Rs. 28,00,000
	Loan outstanding as on 31/03/2027	Rs. 36,42,800	Rs. 23,56,200
	Interest for the year	Rs. 3,25,000	Rs. 2,10,000
	Principal repaid in the year	Rs. 1,18,000	Rs. 82,000

Advocate Dr. S. B. Rathore

Deduction under section 123	Nature of payment	Particulars	Rs.
	Life insurance premium - LIC of India	Policy LIC/2011/005862, issued in 2011; sum assured Rs. 5,00,000	42,000
	Life insurance premium - Tata AIA Life	Policy TAIA/2018/447193, issued in 2018; sum assured Rs. 10,00,000	24,000
	Contribution to provident fund	Document identification number PF/TDS/2026-27/ND/0052197	72,000
	Tuition fees - first child	Residential school at Panchgani; receipt PRS/2026-27/00817, which also shows boarding and lodging charges of Rs. 1,38,000	21,000
	Tuition fees - second child	Day school at Andheri; receipt SVS/2026-27/02164	21,000
	Housing loan repaid - Property 1	ICICI Bank Limited; Home Loan Account No. 602405018734	1,18,000
	Housing loan repaid - Property 2	Axis Bank Limited; Home Loan Account No. 920020047812365	82,000
Deduction under section 126	**Payment**	**Particulars**	**Rs.**
	Health insurance - himself, his wife, aged 45, and their two children	ICICI Lombard General Insurance Company Limited; policy ICL/2023/H518236; receipt ICL/R/2026/774512; by net banking	25,000
	Health insurance - his parents, aged 79 and 74	Care Health Insurance Limited; policy CHI/2022/SC40918; receipt CHI/R/2026/119384; by cheque; the parents live on their own pension	47,000
	Preventive check-up - both parents	Paid in cash	5,000
Deduction under section 129	**Interest on**	**Particulars**	**Rs.**
	Education loan for his wife's two-year M.B.A.	HDFC Bank Limited, IFSC HDFC0001234; a/c 89120004517326; sanctioned 18/02/2023; loan Rs. 15,00,000; outstanding on 31/03/2027 Rs. 7,46,200; interest paid since the year 2023-24	78,600
	His brother's education loan	Axis Bank Limited; sanctioned 09/08/2024; for his brother's B.Tech.	42,000
Deduction under section 133	**Donee**	**Particulars**	**Rs.**
	National Defence Fund	PMO, Seva Teerth, New Delhi 110011 (09-DELHI); PAN AAAGN0009F; NEFT on 15/08/2026, ref. HDFCN26228459013, IFSC HDFC0001234	25,000
	Sankalp Shiksha Foundation - a registered non-profit organisation approved under section 354	Plot 41, Paud Road, Kothrud, Pune 411038 (19-MAHARASHTRA); PAN AAETS5417M; ARN AAETS5417MF2026000458; cheque no. 004518 of 05/09/2026, IFSC HDFC0001234	60,000
	The same Foundation, at its annual day	Paid in cash on 14/11/2026	5,000
Deduction under section 137	**Political party**	**Particulars**	**Rs.**
	Lok Kalyan Party - registered under section 29A of the Representation of the People Act, 1951	PAN AAAAL7392J; UPI on 02/10/2026, reference 627514839201, IFSC HDFC0001234	40,000
	The same party, at a public meeting	Paid in cash on 26/01/2027	10,000

Advocate Dr. S. B. Rathore

Case 13.5 - *Generate the income-tax return in Form ITR-1 SAHAJ for the tax year 2026-27*

Required - **(a)** under the new regime, section 202(1); **(b)** under the old regime, option of section 202(4) exercised.
Interest under sections 423, 424 and 425 is not to be computed.

Name	Rajeev Menon
Father's Name	Balakrishna Menon
PAN	AQVPM5417D
Aadhaar No.	8836-2094-5713
Date of birth	27/01/1981
Address	402, Brigade Palm Court, 100 Feet Road, Indiranagar, Bengaluru - 560038 (Karnataka) - he has no other address
Mobile No.	9845307162
e-mail ID	rajeev.menon@gmail.com
Residential status	Resident and ordinarily resident
Return to be filed under which section	263(1), original return (not a revised return; not in response to any notice)
Name of employer	Nandi Systems Limited (a company in the private sector)
TAN of employer	BLRN04182D
Nature of employment	Others
Return filed under the seventh proviso	No
Representative assessee	No
No. of bank accounts held in India	2
Details of bank accounts	Name of bank: Canara Bank; HDFC Bank Account No.: 04211234567; 50100387216450 IFS Code: CNRB0001842; HDFC0001715 Type of account: Savings; Savings Refund to be credited: Yes; No
Date of filing	25/07/2027 (the due date being 31/07/2027)
Place of filing return	Bengaluru
Verification	By the assessee himself, in the capacity of Self

Income details - Income details are given below –

	Rs.
Income from salary (as per Form No. 130 given by employer)	
Basic salary (Rs. 1,20,000 p.m.)	14,40,000
Dearness allowance (Rs. 24,000 p.m.) - the whole of it enters into retirement benefits under the terms of employment	2,88,000
House rent allowance (Rs. 40,000 p.m.)	4,80,000
Employer's contribution to NPS (Rs. 14,400 p.m.) - ten per cent of basic salary and dearness allowance, credited to his account under the National Pension System	1,72,800
Children education allowance (Rs. 7,000 p.m. - Rs. 3,500 p.m. for each of his two children, both at school in Bengaluru; no hostel allowance)	84,000
Special allowance (Rs. 6,000 p.m.)	72,000
Performance bonus (October 2026)	1,50,000
Gross salary for the year	**26,86,800**
Tax on employment, deducted by his employer under the Karnataka law	2,500
(The employer's contributions to the provident fund and the pension scheme together are well within Rs. 7,50,000. No other perquisite and no profit in lieu of salary. He lives in a rented flat - rent paid is given under other information)	

Advocate Dr. S. B. Rathore

	Rs.
Income from house property (let out for the whole year)	
Address : Flat 7B, Marine Heights, 5th Cross Road, Panampilly Nagar, Kochi - 682036 (Kerala)	
Tenant : Shri Thomas Varghese (PAN : ABHPV4721K) - an individual	
Rent received for the year (Rs. 55,000 p.m.; the whole of it realised)	6,60,000
Municipal tax paid to the Kochi Municipal Corporation	18,000
Interest on borrowed capital	1,80,000
(No arrears of rent and no unrealised rent; sole owner, 100 per cent)	
Income from other sources	
Interest on savings account - Canara Bank, a/c 04211234567	9,400
Interest on savings account - HDFC Bank, a/c 50100387216450	6,100
Interest on fixed deposit - Canara Bank, Indiranagar (gross, before TDS)	1,20,000
Sums of money received without consideration	
- 02/11/2026, by cheque, from Smt. Anjali Nair, his sister	1,00,000
- 27/01/2027 (his birthday), by UPI, from Shri Arvind Rao, a friend	35,000
- 27/01/2027 (his birthday), by UPI, from Shri Sunil Hegde, a colleague	25,000
Capital gains - listed equity shares sold on the National Stock Exchange (STT paid on purchase and on sale; brokerage ignored)	
- Kaveri Textiles Limited, 400 shares, bought 12/05/2023, sold 18/09/2026 : sale consideration	2,36,000
cost of acquisition	1,72,000
- Sahyadri Power Limited, 250 shares, bought 03/02/2025, sold 10/03/2027 : sale consideration	2,05,000
cost of acquisition	1,50,000

	Rs.
Deductions claimed from gross total income (details under other information)	
Under section 123 [life insurance, Public Provident Fund, tuition fees, housing loan repaid]	2,62,000
Under section 124 [employer's contribution to the pension scheme (NPS)]	1,72,800
Under section 126 [health insurance - self and family, and parents]	67,000
Under section 153 [interest on savings accounts]	15,500

Taxes paid - Details of taxes paid are given below –

	Rs.
Tax deducted at source (the whole of it claimed in this tax year; no tax collected at source)	
- On salary (Form 130; Nandi Systems Limited, TAN : BLRN04182D; section 392)	4,20,000
- On FD interest Rs. 1,20,000 (Form 131; Canara Bank, TAN : BLRC02719E; code 1021)	12,000
- On rent Rs. 6,60,000 (Form 132; Shri Thomas Varghese, PAN : ABHPV4721K; code 1007)	13,200
(deducted by the tenant at two per cent, from the rent for March 2027)	
Advance tax paid by assessee (Canara Bank, Indiranagar, BSR Code : 0410562)	
- Tax paid on 15/12/2026 (Challan No. : 02986)	15,000
- Tax paid on 15/03/2027 (Challan No. : 04371)	15,000

Other information - Based on the records submitted by the assessee, the following information has been noted –

House rent paid	Landlord	PAN of landlord	Rent
	Smt. Lakshmi Narayanan - for the flat in which he lives (Rs. 42,000 p.m.), paid by transfer to her bank account	AFZPN3368Q	Rs. 5,04,000

Interest on housing loan	Particulars	**The house at Kochi** (let out)
	Loan taken from bank/institution	Bank
	Name of bank	Federal Bank Limited
	Loan account number	16037300012894
	Date of sanction of loan	14/07/2019
	Total amount of loan	Rs. 30,00,000
	Loan outstanding as on 31/03/2027	Rs. 21,46,300
	Interest for the year	Rs. 1,80,000
	Principal repaid in the year	Rs. 1,10,000

Advocate Dr. S. B. Rathore

Deduction under section 123	Nature of payment	Particulars	Rs.
	Life insurance premium - LIC of India	Policy LIC/2014/118274, issued in 2014; sum assured Rs. 6,00,000	36,000
	Public Provident Fund	Deposit in his account with Canara Bank; PPF/04212245781	60,000
	Tuition fees - first child	Sri Vidya Mandir School, Indiranagar; receipt SVM/2026-27/03318	32,000
	Tuition fees - second child	The same school; receipt SVM/2026-27/03319	24,000
	Housing loan repaid - principal	Federal Bank Limited; Home Loan Account No. 16037300012894	1,10,000
Deduction under section 124 (NPS)	**Contribution**	**Particulars**	**Rs.**
	Employer's contribution to the pension scheme	Nandi Systems Limited; ten per cent of basic salary and dearness allowance (Rs. 17,28,000); his PRAN 110098765432	1,72,800
Deduction under section 126	**Payment**	**Particulars**	**Rs.**
	Health insurance - himself, his wife, aged 43, and their two children	Niva Bupa Health Insurance Company Limited; policy NBHI/2024/R672940; by net banking	21,000
	Health insurance - his parents, aged 76 and 71	Care Health Insurance Limited; policy CHI/2023/SC51876; by cheque; the parents live on their own pension	46,000

Advocate Dr. S. B. Rathore