Case 13.16 - *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	Karan Mehra
Father's Name	Suresh Mehra
PAN	AKMPM4416K
Aadhaar No.	4416-2290-7731
Date of birth	14/03/1984
Address	C-212, Saket, New Delhi - 110017 (Delhi)
Mobile No.	9810444161
e-mail ID	karan.mehra@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	Indus Infra Limited, a company in the private sector
TAN of employer	DELI04416K
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: SBI; Account No.: 30416441611; IFS Code: SBIN0004416; Type of account: Savings; Refund to be credited: Yes
Date of filing	24/07/2027 (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)	
Basic salary (₹ 1,20,000 a month)	14,40,000
Dearness allowance (₹ 24,000 a month) — the whole of it enters retirement benefits	2,88,000
House rent allowance (₹ 45,000 a month)	5,40,000
Children education allowance (₹ 5,000 a month — two children)	60,000
Conveyance allowance (₹ 6,000 a month) — ₹ 54,000 spent in the performance of duties	72,000
Medical allowance (₹ 2,000 a month)	24,000
Performance bonus (March 2027)	1,50,000
Gross salary for the year	**25,74,000**
(No perquisite and no profit in lieu of salary. His rented accommodation — rent paid is given under other information)	
Income from house property (let out for the whole year)	
Address : Flat 904, Sector 56, Gurugram - 122011 (Haryana)	
Tenant : Rohit Jain (PAN : AHKPJ7712M)	
Rent received for the year (the whole of it realised)	3,60,000
Municipal tax paid during the year	12,000
Interest on the home loan for the year	1,45,000
(Sole owner of the house, 100 per cent; no arrears and no unrealised rent)	
Income from other sources	
Interest credited to the savings bank account — SBI	14,200
Interest on fixed deposits — SBI (gross)	95,000
Dividend on listed equity shares of Tata Steel (gross)	18,000

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	Rs.
Sums of money received without consideration	
- 14/03/2027 (his birthday), by cheque, from Mahesh Mehra, his father's brother	75,000
- 14/03/2027 (his birthday), by UPI, from Amit Goel, a friend	30,000
- 14/03/2027 (his birthday), by UPI, from Vivek Arora, a colleague	25,000

	Rs.
Deductions claimed from gross total income	
Section 123 - provident fund (PF-1601)	1,72,800
Section 123 - LIC premium (LIC-1602)	36,000
Section 123 - tuition fees — two children (SCH-1603)	48,000
Section 123 - PPF (PPF-1604)	30,000
Section 126 - health insurance, Star Health - himself, his wife and children, net banking (SH-1605)	22,000
Section 126 - health insurance, Star Health - his brother, net banking (SH-1606)	12,000
Section 126 - health insurance, Care Health - his parents, aged 68 and 64, cheque (CH-1607)	48,000
Section 133 - donation to PM National Relief Fund, by NEFT, 15/08/2026	21,000
Section 133 - donation to Seva Trust (approved), by cash, 02/10/2026	6,000
Section 137 - contribution to Jan Seva Party (registered u/s 29A, RP Act), by UPI, 26/01/2027	30,000
Section 137 - contribution to Jan Seva Party (registered u/s 29A, RP Act), by cash, 10/03/2027	8,000
Section 153 - interest on savings account	14,200

Taxes paid - Details of taxes paid are given below –

	Rs.
Tax deducted at source (the whole of it claimed in this tax year)	
- On salary (Form 130; Indus Infra Limited, TAN : DELI04416K)	3,16,400
- On FD interest (Form 131; SBI, TAN : DELS01602F; code 1021)	9,500
- On dividend (Form 131; Tata Steel, TAN : MUMT01603A; code 1029)	1,800
Advance tax paid by assessee (SBI, Saket, BSR Code : 0510416)	
- Tax paid on 15/12/2026 (Challan No. : 02416)	40,000
- Tax paid on 15/03/2027 (Challan No. : 04416)	40,000

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

House rent paid	Landlord	PAN of landlord	Rent
	Anil Kapoor - for the house in which he lives (Rs. 48,000 a month), paid by bank transfer	AAKPK5521D	Rs. 5,76,000

Interest on housing loan	Particulars	**Gurugram** (let out)
	Loan taken from bank/institution	Bank
	Name of bank	HDFC Bank
	Loan account number	HL-1601
	Date of sanction of loan	12/06/2019
	Total amount of loan	Rs. 25,00,000
	Loan outstanding as on 31/03/2027	Rs. 17,40,000
	Interest for the year	Rs. 1,45,000

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Case 13.17 - *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	Sneha Kulkarni
Husband's Name	Ajay Kulkarni
PAN	BSKPK1717L
Aadhaar No.	1717-4402-6630
Date of birth	21/09/1989
Address	B-14, Prabhat Road, Erandwane, Pune - 411004 (Maharashtra)
Mobile No.	9822017171
e-mail ID	sneha.kulkarni@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	Sahyadri Software Limited, a company in the private sector
TAN of employer	PNES01717C
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: Axis Bank Account No.: 917010017171717 IFS Code: UTIB0001717 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	Pune
Verification	By the assessee herself, 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 (₹ 1,10,000 a month)	13,20,000
Dearness allowance (₹ 11,000 a month) — the whole of it enters retirement benefits	1,32,000
Children education allowance (₹ 4,000 a month — one child)	48,000
Hostel expenditure allowance (₹ 10,000 a month — the same child, in a hostel)	1,20,000
Uniform allowance (₹ 2,500 a month) — ₹ 21,000 spent on the uniform	30,000
Special allowance	96,000
Employer's contribution to NPS — ten per cent of basic salary and dearness allowance	1,45,200
Gross salary for the year	**18,91,200**
Tax on employment paid to the State	2,500
(No perquisite and no profit in lieu of salary)	
Income from house property - Property 1 (self-occupied)	
Address : address given above	
Interest on the home loan for the year	2,38,000
Income from house property - Property 2 (let out for the whole year)	
Address : Flat 3, Gangapur Road, Nashik - 422013 (Maharashtra)	
Tenant : Pravin Jadhav (PAN : AFJPJ3317Q)	
Rent received for the year (the whole of it realised)	3,24,000
Municipal tax paid during the year	8,000
(There is no loan on this house)	
(Sole owner of both houses, 100 per cent; no arrears and no unrealised rent)	
Income from other sources	

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	Rs.
Interest credited to the savings bank account — Axis Bank	8,600
Interest on fixed deposits — Axis Bank (gross)	62,000
Interest on income-tax refund	3,400

	Rs.
Deductions claimed from gross total income	
Section 123 - provident fund (PF-1701)	1,58,400
Section 123 - LIC premium (LIC-1702)	24,000
Section 123 - Sukanya Samriddhi (SSA-1703)	50,000
Section 124 - employer's contribution to NPS	1,45,200
Section 126 - health insurance, Niva Bupa - herself, her husband and son, net banking (NB-1704)	19,000
Section 126 - herself and her husband — preventive check-up, in cash	4,000
Section 126 - health insurance, Niva Bupa - her parents, aged 58 and 55, net banking (NB-1705)	21,000
Section 129 - interest on the education loan for her husband's M.Tech., Axis Bank (interest paid since 2024-25)	68,000
Section 129 - interest on the education loan for her brother's B.Arch., Axis Bank (interest paid since 2025-26)	41,000
Section 153 - interest on savings account	8,600

Taxes paid - Details of taxes paid are given below –

	Rs.
Tax deducted at source (the whole of it claimed in this tax year)	
- On salary (Form 130; Sahyadri Software Limited, TAN : PNES01717C)	1,61,000
- On FD interest (Form 131; Axis Bank, TAN : PNEA02716B; code 1021)	6,200
Self-assessment tax paid by assessee (Axis Bank, Erandwane, BSR Code : 0211717)	
- Tax paid on 20/07/2027 (Challan No. : 00717)	33,770

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

Interest on housing loan	**Particulars**	**Erandwane, Pune** (self-occupied)
	Loan taken from bank/institution	Bank
	Name of bank	ICICI Bank
	Loan account number	HL-1701
	Date of sanction of loan	05/02/2018
	Total amount of loan	Rs. 40,00,000
	Loan outstanding as on 31/03/2027	Rs. 28,60,000
	Interest for the year	Rs. 2,38,000

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Case 13.18 - *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	Imran Qureshi
Father's Name	Salim Qureshi
PAN	AIQPQ1818R
Aadhaar No.	1818-5503-2297
Date of birth	02/01/1991
Address	Plot 18, Road No. 3, Banjara Hills, Hyderabad - 500034 (Telangana)
Mobile No.	9849018181
e-mail ID	imran.qureshi@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	Deccan Pharma Limited, a company in the private sector
TAN of employer	HYDD01818E
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: HDFC Bank Account No.: 50100181818181 IFS Code: HDFC0001818 Type of account: Savings Refund to be credited: Yes
Date of filing	22/07/2027 (the due date being 31/07/2027)
Place of filing return	Hyderabad
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 (₹ 1,00,000 a month)	12,00,000
Dearness allowance (₹ 20,000 a month) — one-half enters retirement benefits	2,40,000
House rent allowance (₹ 40,000 a month)	4,80,000
Entertainment allowance (₹ 3,000 a month)	36,000
Medical allowance (₹ 1,500 a month)	18,000
Performance bonus (December 2026)	1,20,000
Gross salary for the year	**20,94,000**
Tax on employment paid to the State	2,400
(No perquisite and no profit in lieu of salary. His rented accommodation — rent paid is given under other information)	
Income from other sources	
Interest credited to the savings bank account — HDFC Bank	11,800
Interest on fixed deposits — HDFC Bank (gross)	54,000
Sums of money received without consideration	
- 16/02/2027 (on his marriage), by cheque and UPI, from friends and colleagues	1,50,000
- 02/01/2027 (his birthday), by UPI, from Farah Khan, a family friend	40,000

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	Rs.
Deductions claimed from gross total income	
Section 123 - provident fund (PF-1801)	1,29,600
Section 123 - ELSS units (ELSS-1802)	25,000
Section 126 - health insurance, Tata AIG - himself, net banking (TA-1803)	14,000
Section 126 - health insurance, Care Health - his parents, aged 66 and 61, net banking (CH-1804)	52,000
Section 126 - his parents — preventive check-up, in cash	6,000
Section 133 - donation to National Defence Fund, by cheque, 15/08/2026	25,000
Section 133 - donation to Hope Foundation (approved), by cheque, 05/11/2026	60,000
Section 133 - donation to Hope Foundation (approved), by cash, 14/11/2026	3,000
Section 153 - interest on savings account	11,800

Taxes paid - Details of taxes paid are given below –

	Rs.
Tax deducted at source (the whole of it claimed in this tax year)	
- On salary (Form 130; Deccan Pharma Limited, TAN : HYDD01818E)	2,00,600
- On FD interest (Form 131; HDFC Bank, TAN : HYDH01802D; code 1021)	5,400
Advance tax paid by assessee (HDFC Bank, Banjara Hills, BSR Code : 0241818)	
- Tax paid on 15/03/2027 (Challan No. : 04818)	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
	Ravi Teja - for the house in which he lives (Rs. 30,000 a month), paid by bank transfer	ADTPT6618B	Rs. 3,60,000

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Case 13.19 - *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	Pooja Agarwal
Father's Name	Mukesh Agarwal
PAN	CPAPA1919J
Aadhaar No.	1919-6621-4408
Date of birth	11/11/1996
Address	E-19, Vaishali Nagar, Jaipur - 302021 (Rajasthan)
Mobile No.	9829019191
e-mail ID	pooja.agarwal@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	Marudhar Finance Limited, a company in the private sector
TAN of employer	JPRM01919G
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: PNB Account No.: 1919000101919191 IFS Code: PUNB0191900 Type of account: Savings Refund to be credited: Yes
Date of filing	26/07/2027 (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 (as per Form No. 130 given by employer)	
Basic salary (₹ 80,000 a month)	9,60,000
House rent allowance (₹ 25,000 a month)	3,00,000
Special allowance (₹ 15,000 a month)	1,80,000
Joining bonus (April 2026)	60,000
Gross salary for the year	**15,00,000**
(No perquisite and no profit in lieu of salary. Her rented accommodation — rent paid is given under other information)	
Income from other sources	
Interest credited to the savings bank account — PNB	7,800
Interest on fixed deposits — PNB (gross)	26,000

	Rs.
Deductions claimed from gross total income	
Section 123 - provident fund (PF-1901)	1,15,200
Section 123 - term insurance premium (TI-1902)	14,000
Section 126 - health insurance, HDFC Ergo - her parents, aged 56 and 52, net banking (HE-1903)	18,000
Section 126 - health insurance, HDFC Ergo - her brother, net banking (HE-1904)	9,000
Section 129 - interest on the education loan for her own M.B.A., PNB (interest paid since 2023-24)	96,000
Section 133 - donation to PM CARES Fund, by UPI, 15/08/2026	11,000
Section 133 - donation to Akshar Trust (approved), by cash, 02/10/2026	2,500
Section 133 - donation to Jeevan Trust (approved), by cash, 14/11/2026	1,500
Section 153 - interest on savings account	7,800

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Taxes paid - Details of taxes paid are given below –

	Rs.
Tax deducted at source (the whole of it claimed in this tax year)	
- On salary (Form 130; Marudhar Finance Limited, TAN : JPRM01919G)	88,000
Self-assessment tax paid by assessee (PNB, Vaishali Nagar, BSR Code : 0301919)	
- Tax paid on 18/07/2027 (Challan No. : 00919)	14,770

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

House rent paid	**Landlord**	**PAN of landlord**	**Rent**
	Kailash Sharma - for the house in which she lives (Rs. 22,000 a month), paid by bank transfer	AKSPS2219L	Rs. 2,64,000

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Case 13.20 - *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	Vikram Sethi
Father's Name	Harbans Sethi
PAN	AVSPS2020H
Aadhaar No.	2020-7712-5534
Date of birth	30/06/1972
Address	House 2020, Sector 21-C, Chandigarh - 160022
Mobile No.	9814020202
e-mail ID	vikram.sethi@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	Office of the Commissioner of Customs, Chandigarh — Central Government
TAN of employer	PTLC02020K
Nature of employment	Central Government
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: SBI Account No.: 32020202020 IFS Code: SBIN0002020 Type of account: Savings Refund to be credited: Yes
Date of filing	23/07/2027 (the due date being 31/07/2027)
Place of filing return	Chandigarh
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 pay (₹ 1,05,000 a month)	12,60,000
Dearness allowance (₹ 60,900 a month) — the whole of it enters retirement benefits	7,30,800
House rent allowance (₹ 25,200 a month)	3,02,400
Children education allowance (₹ 2,250 a month — two children)	27,000
Transport allowance (₹ 7,200 a month)	86,400
Government's contribution to NPS — ten per cent of basic pay and dearness allowance	1,99,080
Gross salary for the year	**26,05,680**
Tax on employment paid to the State	2,500
(No perquisite and no profit in lieu of salary. His rented accommodation — rent paid is given under other information)	
Income from house property (let out for the whole year)	
Address : Flat 8, Sector 70, Mohali - 160071 (Punjab)	
Tenant : Neeraj Pillai (PAN : BNPPP4420D)	
Rent received for the year (the whole of it realised)	3,00,000
Municipal tax paid during the year	9,600
Interest on the home loan for the year	96,000
(Sole owner of the house, 100 per cent; no arrears and no unrealised rent)	
Income from other sources	
Interest credited to the savings bank account — SBI	9,200
Dividend on listed equity shares of ONGC (gross)	22,000

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	Rs.
Deductions claimed from gross total income	
Section 123 - LIC premium (LIC-2001)	42,000
Section 123 - PPF (PPF-2002)	90,000
Section 123 - tuition fees — two children (SCH-2003)	36,000
Section 124 - employer's contribution to NPS	1,99,080
Section 126 - health insurance, Star Health - himself, his wife (aged 52) and children, net banking (SH-2004)	28,000
Section 126 - his mother, aged 82 — not insured; medical expenditure, by cheque	48,000
Section 137 - contribution to Lok Hit Party (registered u/s 29A, RP Act), by cheque, 02/10/2026	25,000
Section 137 - contribution to Lok Hit Party (registered u/s 29A, RP Act), by cash, 26/01/2027	5,000
Section 153 - interest on savings account	9,200

Taxes paid - Details of taxes paid are given below –

	Rs.
Tax deducted at source (the whole of it claimed in this tax year)	
- On salary (Form 130; Office of the Commissioner of Customs, TAN : PTLC02020K)	3,18,000
- On dividend (Form 131; ONGC, TAN : DELO02002B; code 1029)	2,200
Advance tax paid by assessee (SBI, Sector 17, Chandigarh, BSR Code : 0232020)	
- Tax paid on 15/03/2027 (Challan No. : 04020)	10,000

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

House rent paid	Landlord	PAN of landlord	Rent
	Sunita Rao - for the house in which he lives (Rs. 30,000 a month), paid by bank transfer	ASRPR3320C	Rs. 3,60,000

Interest on housing loan	Particulars	**Mohali** (let out)
	Loan taken from bank/institution	Bank
	Name of bank	SBI
	Loan account number	HL-2001
	Date of sanction of loan	18/09/2020
	Total amount of loan	Rs. 18,00,000
	Loan outstanding as on 31/03/2027	Rs. 12,30,000
	Interest for the year	Rs. 96,000

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Case 13.21 - *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	Anita Desai
Husband's Name	Late Rajesh Desai
PAN	BADPD2121N
Aadhaar No.	2121-8830-6645
Date of birth	19/05/1978
Address	A-21, Shivalik Bungalows, Bopal, Ahmedabad - 380058 (Gujarat)
Mobile No.	9825021212
e-mail ID	anita.desai@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	Narmada Textiles Limited, a company in the private sector
TAN of employer	AHMN02121F
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: Bank of Baroda Account No.: 21210100021212 IFS Code: BARB0BOPALX Type of account: Savings Refund to be credited: Yes
Date of filing	27/07/2027 (the due date being 31/07/2027)
Place of filing return	Ahmedabad
Verification	By the assessee herself, 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 (₹ 75,000 a month)	9,00,000
Dearness allowance (₹ 15,000 a month) — the whole of it enters retirement benefits	1,80,000
House rent allowance (₹ 30,000 a month)	3,60,000
Children education allowance (₹ 3,500 a month — two children)	42,000
Special allowance	84,000
Gross salary for the year	**15,66,000**
Tax on employment paid to the State	2,400
(No perquisite and no profit in lieu of salary. Her rented accommodation — rent paid is given under other information)	
Income from other sources	
Family pension, on the death of her husband (gross)	2,70,000
Interest credited to the savings bank account — Bank of Baroda	12,600
Interest on fixed deposits — Bank of Baroda (gross)	48,000
Sums of money received without consideration	
- 19/05/2026 (her birthday), by cheque, from Mahesh Shah, her brother	1,00,000
- 19/05/2026 (her birthday), by UPI, from Kavita Mehta, a friend	60,000

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	Rs.
Deductions claimed from gross total income	
Section 123 - provident fund (PF-2101)	1,29,600
Section 123 - Sukanya Samriddhi (SSA-2102)	50,000
Section 123 - tuition fees — two children (SCH-2103)	40,000
Section 126 - health insurance, Tata AIG - herself and her two children, net banking (TA-2104)	21,000
Section 126 - health insurance, Tata AIG - her mother-in-law, net banking (TA-2105)	15,000
Section 129 - interest on the education loan for her son's B.Tech., Bank of Baroda (interest paid since 2025-26)	88,000
Section 153 - interest on savings account	12,600

Taxes paid - Details of taxes paid are given below –

	Rs.
Tax deducted at source (the whole of it claimed in this tax year)	
- On salary (Form 130; Narmada Textiles Limited, TAN : AHMN02121F)	1,60,200
Self-assessment tax paid by assessee (Bank of Baroda, Bopal, BSR Code : 0282121)	
- Tax paid on 21/07/2027 (Challan No. : 02121)	17,970

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

House rent paid	Landlord	PAN of landlord	Rent
	Jayesh Shah - for the house in which she lives (Rs. 25,000 a month), paid by bank transfer	AJSPS4421E	Rs. 3,00,000

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Case 13.22 - *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	Rahul Bhatia
Father's Name	Vinod Bhatia
PAN	ARBPB2222D
Aadhaar No.	2222-9941-7756
Date of birth	08/08/1980
Address	CF-22, Sector I, Salt Lake, Kolkata - 700064 (West Bengal)
Mobile No.	9831022222
e-mail ID	rahul.bhatia@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	Hooghly Engineering Limited, a company in the private sector
TAN of employer	CALH02222G
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: UCO Bank Account No.: 22220110022222 IFS Code: UCBA0002222 Type of account: Savings Refund to be credited: Yes
Date of filing	24/07/2027 (the due date being 31/07/2027)
Place of filing return	Kolkata
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 (₹ 1,30,000 a month)	15,60,000
Dearness allowance (₹ 26,000 a month) — the whole of it enters retirement benefits	3,12,000
Special allowance (₹ 30,000 a month)	3,60,000
Conveyance allowance (₹ 5,000 a month) — the whole spent in the performance of duties	60,000
Employer's contribution to NPS — ten per cent of basic salary and dearness allowance	1,87,200
Gross salary for the year	**24,79,200**
Tax on employment paid to the State	2,400
(No perquisite and no profit in lieu of salary)	
Income from house property - Property 1 (self-occupied)	
Address : address given above	
Interest on the home loan for the year	1,20,000
Income from house property - Property 2 (let out for the whole year)	
Address : Flat 6, City Centre, Durgapur - 713216 (West Bengal)	
Tenant : Sourav Ghosh (PAN : BSGPG5522K)	
Rent received for the year (the whole of it realised)	4,20,000
Municipal tax paid during the year	12,000
Interest on the home loan for the year	90,000
(Sole owner of both houses, 100 per cent; no arrears and no unrealised rent)	
Income from other sources	
Interest credited to the savings bank account — UCO Bank	16,400
Interest on fixed deposits — UCO Bank (gross)	72,000

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	Rs.
Dividend on listed equity shares of ITC (gross)	30,000

	Rs.
Deductions claimed from gross total income	
Section 123 - provident fund (PF-2201)	2,24,640
Section 123 - housing loan principal — Salt Lake (HL-2201)	95,000
Section 124 - employer's contribution to NPS	1,87,200
Section 126 - health insurance, Niva Bupa - himself, his wife and daughter, net banking (NB-2203)	24,000
Section 126 - health insurance, Star Health - his parents, aged 74 and 70, net banking (SH-2204)	55,000
Section 128 - specified-disease treatment of his brother, wholly dependent on him (nothing reimbursed)	48,000
Section 153 - interest on savings account	16,400

Taxes paid - Details of taxes paid are given below –

	Rs.
Tax deducted at source (the whole of it claimed in this tax year)	
- On salary (Form 130; Hooghly Engineering Limited, TAN : CALH02222G)	2,70,000
- On FD interest (Form 131; UCO Bank, TAN : CALU02202H; code 1021)	7,200
- On dividend (Form 131; ITC, TAN : CALI02203J; code 1029)	3,000
Advance tax paid by assessee (UCO Bank, Salt Lake, BSR Code : 0280222)	
- Tax paid on 15/12/2026 (Challan No. : 02222)	25,000
- Tax paid on 15/03/2027 (Challan No. : 04222)	25,000

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

Interest on housing loan	**Particulars**	**Salt Lake, Kolkata** (self-occupied)	**Durgapur** (let out)
	Loan taken from bank/institution	Bank	Bank
	Name of bank	UCO Bank	SBI
	Loan account number	HL-2201	HL-2202
	Date of sanction of loan	10/01/2017	22/11/2022
	Total amount of loan	Rs. 30,00,000	Rs. 15,00,000
	Loan outstanding as on 31/03/2027	Rs. 16,80,000	Rs. 12,40,000
	Interest for the year	Rs. 1,20,000	Rs. 90,000

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Case 13.23 - *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	Deepak Rao
Father's Name	Srinivas Rao
PAN	ADRPR2323M
Aadhaar No.	2323-1150-8867
Date of birth	17/12/1986
Address	No. 23, 4th Main, Jayanagar, Bengaluru - 560041 (Karnataka)
Mobile No.	9845023232
e-mail ID	deepak.rao@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	Kaveri Analytics Private Limited, a company in the private sector
TAN of employer	BLRK02323A
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; ICICI Bank Account No.: 2323101023232; 002301523232 IFS Code: CNRB0002323; ICIC0000023 Type of account: Savings; Savings Refund to be credited: Yes; No
Date of filing	26/07/2027 (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 (₹ 1,40,000 a month)	16,80,000
House rent allowance (₹ 56,000 a month)	6,72,000
Special allowance (₹ 25,000 a month)	3,00,000
Performance bonus (June 2026)	2,00,000
Gross salary for the year	**28,52,000**
Tax on employment paid to the State	2,500
(No perquisite and no profit in lieu of salary. His rented accommodation — rent paid is given under other information)	
Income from other sources	
Interest credited to the savings bank accounts — Canara Bank and ICICI Bank	13,300
Interest on fixed deposits — Canara Bank (gross)	40,000
Listed equity shares sold on a recognised stock exchange (STT paid on purchase and on sale)	
- Infosys — 120 shares, bought 10/04/2024, sold 12/08/2026 : sale consideration	2,30,000
cost of acquisition	1,71,000
- HDFC Bank — 200 shares, bought 06/01/2025, sold 19/02/2027 : sale consideration	3,52,000
cost of acquisition	2,87,000

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	Rs.
Deductions claimed from gross total income	
Section 123 - provident fund (PF-2301)	2,01,600
Section 123 - ELSS units (ELSS-2302)	30,000
Section 126 - health insurance, Star Health - himself and his wife, net banking (SH-2303)	26,000
Section 126 - health insurance, Star Health - his brother, net banking (SH-2304)	11,000
Section 126 - health insurance, Care Health - his parents, aged 64 and 61, net banking (CH-2305)	31,000
Section 129 - interest on the education loan for his brother's M.B.B.S., Canara Bank (interest paid since 2024-25)	52,000
Section 137 - contribution to Praja Party (registered u/s 29A, RP Act), by NEFT, 15/01/2027	40,000
Section 137 - contribution to Praja Party (registered u/s 29A, RP Act), by cash, 26/01/2027	10,000
Section 153 - interest on savings accounts	13,300

Taxes paid - Details of taxes paid are given below –

	Rs.
Tax deducted at source (the whole of it claimed in this tax year)	
- On salary (Form 130; Kaveri Analytics Private Limited, TAN : BLRK02323A)	3,70,200
- On FD interest (Form 131; Canara Bank, TAN : BLRC02302B; code 1021)	4,000
Advance tax paid by assessee (Canara Bank, Jayanagar, BSR Code : 0412323)	
- Tax paid on 15/09/2026 (Challan No. : 01323)	20,000
- Tax paid on 15/12/2026 (Challan No. : 02323)	20,000
- Tax paid on 15/03/2027 (Challan No. : 04323)	20,000

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

House rent paid	Landlord	PAN of landlord	Rent
	Lakshmi Iyengar - for the house in which he lives (Rs. 48,000 a month), paid by bank transfer	ALIPI6623P	Rs. 5,76,000

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Case 13.24 - *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	Meera Joshi
Father's Name	Prakash Joshi
PAN	CMJPJ2424B
Aadhaar No.	2424-3360-9978
Date of birth	25/04/1975
Address	2/24, Gomti Nagar, Lucknow - 226010 (Uttar Pradesh)
Mobile No.	9415024242
e-mail ID	meera.joshi@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	Awadh University, a private university run by a registered society
TAN of employer	LKNA02424C
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: Bank of India Account No.: 242410100024242 IFS Code: BKID0002424 Type of account: Savings Refund to be credited: Yes
Date of filing	28/07/2027 (the due date being 31/07/2027)
Place of filing return	Lucknow
Verification	By the assessee herself, 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 (₹ 1,25,000 a month)	15,00,000
Dearness allowance (₹ 50,000 a month) — the whole of it enters retirement benefits	6,00,000
House rent allowance (₹ 30,000 a month)	3,60,000
Research allowance (₹ 4,000 a month)	48,000
Gross salary for the year	**25,08,000**
(No perquisite and no profit in lieu of salary. Her rented accommodation — rent paid is given under other information)	
Income from house property (let out for the whole year)	
Address : House 24, Swaroop Nagar, Kanpur - 208002 (Uttar Pradesh)	
Tenant : Nitin Gupta (PAN : BNGPG8824R)	
Rent received for the year (the whole of it realised)	2,64,000
Municipal tax paid during the year	10,000
(There is no loan on this house)	
(Sole owner of the house, 100 per cent; no arrears and no unrealised rent)	
Income from other sources	
Interest credited to the savings bank account — Bank of India	9,400
Interest on fixed deposits — Bank of India (gross)	1,18,000
Interest on income-tax refund	5,600

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	Rs.
Deductions claimed from gross total income	
Section 123 - provident fund (PF-2401)	2,52,000
Section 123 - LIC premium (LIC-2402)	30,000
Section 126 - health insurance, Care Health - herself and her husband, net banking (CH-2403)	18,000
Section 126 - health insurance, Star Health - her mother, aged 80, net banking (SH-2404)	47,000
Section 126 - her mother — preventive check-up, in cash	5,000
Section 128 - specified-disease treatment of her son, wholly dependent on her (nothing reimbursed)	36,000
Section 133 - donation to National Defence Fund, by NEFT, 15/08/2026	15,000
Section 133 - donation to Saksham Trust (approved), by cheque, 12/09/2026	40,000
Section 133 - donation to Saksham Trust (approved), by cash, 02/10/2026	5,000
Section 153 - interest on savings account	9,400

Taxes paid - Details of taxes paid are given below –

	Rs.
Tax deducted at source (the whole of it claimed in this tax year)	
- On salary (Form 130; Awadh University, TAN : LKNA02424C)	3,95,000
- On FD interest (Form 131; Bank of India, TAN : LKNB02402D; code 1021)	11,800
Advance tax paid by assessee (Bank of India, Gomti Nagar, BSR Code : 0512424)	
- Tax paid on 15/03/2027 (Challan No. : 04424)	25,000

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

House rent paid	Landlord	PAN of landlord	Rent
	Ashok Verma - for the house in which she lives (Rs. 24,000 a month), paid by bank transfer	AAVPV7724Q	Rs. 2,88,000

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Case 13.25 - *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	Arjun Nair
Father's Name	Gopal Nair
PAN	BANPN2525E
Aadhaar No.	2525-4471-0089
Date of birth	03/02/1983
Address	Flat 25, Marine Drive, Ernakulam, Kochi - 682031 (Kerala)
Mobile No.	9847025252
e-mail ID	arjun.nair@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	Malabar Shipping Limited, a company in the private sector
TAN of employer	CHNM02525D
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: Federal Bank Account No.: 25250100025252 IFS Code: FDRL0002525 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	Kochi
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 (₹ 95,000 a month)	11,40,000
Dearness allowance (₹ 19,000 a month) — the whole of it enters retirement benefits	2,28,000
Children education allowance (₹ 6,000 a month — two children)	72,000
Hostel expenditure allowance (₹ 12,000 a month — both children, in a hostel)	1,44,000
Uniform allowance (₹ 2,000 a month) — the whole spent on the uniform	24,000
Special allowance	1,20,000
Employer's contribution to NPS — ten per cent of basic salary and dearness allowance	1,36,800
Gross salary for the year	**18,64,800**
Tax on employment paid to the State	2,500
(No perquisite and no profit in lieu of salary)	
Income from house property - Property 1 (self-occupied)	
Address : address given above	
(There is no loan on this house)	
Income from house property - Property 2 (let out for the whole year)	
Address : House 7, Round North, Thrissur - 680001 (Kerala)	
Tenant : Joseph Mathew (PAN : AJMPM9925F)	
Rent received for the year (the whole of it realised)	2,40,000
Municipal tax paid during the year	6,000
Interest on the home loan for the year	1,20,000
(Sole owner of both houses, 100 per cent; no arrears and no unrealised rent)	
Income from other sources	

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	Rs.
Interest credited to the savings bank account — Federal Bank	10,900
Interest on fixed deposits — Federal Bank (gross)	66,000
Sums of money received without consideration	
- 03/02/2027 (his birthday), by cheque, from Sunil Menon, his wife's brother	1,00,000
- 03/02/2027 (his birthday), by UPI, from Ravi Pillai, a neighbour	45,000

	Rs.
Deductions claimed from gross total income	
Section 123 - provident fund (PF-2501)	1,64,160
Section 123 - LIC premium (LIC-2502)	20,000
Section 124 - employer's contribution to NPS	1,36,800
Section 126 - health insurance, Star Health - himself, his wife and children, net banking (SH-2503)	23,000
Section 129 - interest on the education loan for his own executive M.B.A., Federal Bank (interest paid since 2026-27)	72,000
Section 137 - contribution to Kerala Jana Party (registered u/s 29A, RP Act), by cash, 15/08/2026	15,000
Section 153 - interest on savings account	10,900

Taxes paid - Details of taxes paid are given below –

	Rs.
Tax deducted at source (the whole of it claimed in this tax year)	
- On salary (Form 130; Malabar Shipping Limited, TAN : CHNM02525D)	1,35,300
- On FD interest (Form 131; Federal Bank, TAN : CHNF02502E; code 1021)	6,600
Advance tax paid by assessee (Federal Bank, Ernakulam, BSR Code : 0222525)	
- Tax paid on 15/12/2026 (Challan No. : 02525)	15,000

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

Interest on housing loan	**Particulars**	**Thrissur** (let out)
	Loan taken from bank/institution	Bank
	Name of bank	Federal Bank
	Loan account number	HL-2501
	Date of sanction of loan	08/07/2021
	Total amount of loan	Rs. 15,00,000
	Loan outstanding as on 31/03/2027	Rs. 11,20,000
	Interest for the year	Rs. 1,20,000

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SOLUTION (a) NEW REGIME

The option of section 202(4) is not exercised, so income-tax is computed under section 202(1), the default regime. Tax year 2026-27: 1 April 2026 to 31 March 2027. Interest under sections 423 to 425 is not computed; the return is furnished within the due date of 31 July 2027.

INCOME FROM SALARIES		
Basic salary (₹ 1,20,000 a month)	₹ 14,40,000	
Dearness allowance (₹ 24,000 a month) — the whole of it enters retirement benefits	₹ 2,88,000	
House rent allowance (₹ 45,000 a month)	₹ 5,40,000	
Children education allowance (₹ 5,000 a month — two children)	₹ 60,000	
Conveyance allowance (₹ 6,000 a month) — ₹ 54,000 spent in the performance of duties	₹ 72,000	
Medical allowance (₹ 2,000 a month)	₹ 24,000	
Performance bonus (March 2027)	₹ 1,50,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 25,74,000	
Less: conveyance allowance — the ₹ 54,000 spent in the performance of duties, kept under this regime [Schedule III, Table Sl. No. 12; Rule 280(1)(d) and (3)]	₹ 54,000	
Less: house rent and children education allowances — not exempt under this regime [section 202(2)(a)(i) and (ii)]	₹ 0	
Net salary	₹ 25,20,000	
Less: standard deduction — ₹ 75,000, or the salary, whichever is less [section 19(1), Table Sl. No. 2]	₹ 75,000	
Income chargeable under the head "Salaries"		**₹ 24,45,000**
INCOME FROM HOUSE PROPERTY		
Gurugram — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 3,60,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 12,000	
Annual value	₹ 3,48,000	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 1,04,400	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 1,45,000	
Income from the property	₹ 98,600	
Income chargeable under the head "Income from house property"		**₹ 98,600**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — SBI [section 92]	₹ 14,200	
Interest on fixed deposits — SBI, in the gross amount	₹ 95,000	
Dividend on listed equity shares of Tata Steel, in the gross amount	₹ 18,000	
Sums of money received without consideration from persons who are not relatives — ₹ 55,000 in all, which exceeds ₹ 50,000, so the whole is income; Working note B [section 92(2)(m)(i)]	₹ 55,000	
The ₹ 75,000 from his father's brother — a relative, so not income [section 92(3)(a)]	₹ 0	
Income chargeable under the head "Income from other sources"		**₹ 1,82,200**
GROSS TOTAL INCOME [section 122(10)]		**₹ 27,25,800**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing else in this Chapter is allowed under this regime — the claims under section 123, 126, 133, 137, 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off to the nearest multiple of ten rupees [section 516]		**₹ 27,25,800**
TAX ON THE TOTAL INCOME		
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 ₹ 3,25,800 — 30 per cent	₹ 97,740	
Tax payable on the total income		**₹ 3,97,740**
Less: rebate — nil, total income above ₹ 12,00,000 [section 156]		₹ 0
Add: health and education cess at four per cent [section 2, Finance Act, 2026]		₹ 15,910
TOTAL TAX AND CESS		**₹ 4,13,650**
TOTAL TAX, rounded off [section 516]		**₹ 4,13,650**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Indus Infra Limited) [section 392]	₹ 3,16,400	

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Less: TDS — FD interest (SBI) [section 393(1), Table Sl. No. 5(ii)]	₹ 9,500	
Less: TDS — dividend (Tata Steel) [section 393(1), Table Sl. No. 7]	₹ 1,800	
Less: advance tax paid on 15/12/2026 [sections 404 to 408]	₹ 40,000	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 40,000	
Total taxes paid		**₹ 4,07,700**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 5,950**

The figures to check

Total income ₹ 27,25,800 · Total tax ₹ 4,13,650 · Amount payable ₹ 5,950

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SOLUTION (b) OLD REGIME

The option of section 202(4) is 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. Tax year 2026-27: 1 April 2026 to 31 March 2027. Interest under sections 423 to 425 is not computed; the return is furnished within the due date of 31 July 2027.

INCOME FROM SALARIES		
Basic salary (₹ 1,20,000 a month)	₹ 14,40,000	
Dearness allowance (₹ 24,000 a month) — the whole of it enters retirement benefits	₹ 2,88,000	
House rent allowance (₹ 45,000 a month)	₹ 5,40,000	
Children education allowance (₹ 5,000 a month — two children)	₹ 60,000	
Conveyance allowance (₹ 6,000 a month) — ₹ 54,000 spent in the performance of duties	₹ 72,000	
Medical allowance (₹ 2,000 a month)	₹ 24,000	
Performance bonus (March 2027)	₹ 1,50,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 25,74,000	
Less: conveyance allowance — the ₹ 54,000 spent in the performance of duties [Schedule III, Table Sl. No. 12; Rule 280(1)(d)]	₹ 54,000	
Less: house rent allowance — the least of the three limits; Working note A [Schedule III, Table Sl. No. 11; Rule 279]	₹ 4,03,200	
Less: children education allowance — ₹ 3,000 a month for each of his two children [Schedule III, Table Sl. No. 13; Rule 280(2), Sl. No. 7]	₹ 60,000	
Net salary	₹ 20,56,800	
Less: standard deduction — ₹ 50,000, or the salary, whichever is less [section 19(1), Table Sl. No. 2]	₹ 50,000	
Income chargeable under the head "Salaries"		**₹ 20,06,800**
INCOME FROM HOUSE PROPERTY		
Gurugram — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 3,60,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 12,000	
Annual value	₹ 3,48,000	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 1,04,400	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 1,45,000	
Income from the property	₹ 98,600	
Income chargeable under the head "Income from house property"		**₹ 98,600**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — SBI [section 92]	₹ 14,200	
Interest on fixed deposits — SBI, in the gross amount	₹ 95,000	
Dividend on listed equity shares of Tata Steel, in the gross amount	₹ 18,000	
Sums of money received without consideration from persons who are not relatives — ₹ 55,000 in all, which exceeds ₹ 50,000, so the whole is income; Working note B [section 92(2)(m)(i)]	₹ 55,000	
The ₹ 75,000 from his father's brother — a relative, so not income [section 92(3)(a)]	₹ 0	
Income chargeable under the head "Income from other sources"		**₹ 1,82,200**
GROSS TOTAL INCOME [section 122(10)]		**₹ 22,87,600**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 1,72,800, LIC premium ₹ 36,000, tuition fees — two children ₹ 48,000, PPF ₹ 30,000; restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance and medical expenditure — self and family ₹ 22,000; parents ₹ 48,000; ₹ 12,000 for his brother gets nothing; Working note C [section 126]	₹ 70,000	
Contribution to Jan Seva Party otherwise than in cash; the ₹ 8,000 paid in cash gets nothing [section 137]	₹ 30,000	
Interest on savings account — ₹ 14,200; ceiling ₹ 10,000 [section 153]	₹ 10,000	
Donations — ₹ 21,000 in full; the ₹ 6,000 in cash gets nothing; Working note D [section 133]	₹ 21,000	
Total of the deductions allowed		**₹ 2,81,000**

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TOTAL INCOME, rounded off to the nearest multiple of ten rupees [section 516]		**₹ 20,06,600**
TAX ON THE TOTAL INCOME		
On the first ₹ 2,50,000 — Nil [Paragraph A, Part I-B, First Schedule, 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 ₹ 10,06,600 — 30 per cent	₹ 3,01,980	
Tax payable on the total income		**₹ 4,14,480**
Less: rebate — nil, total income above ₹ 5,00,000 [section 156]		₹ 0
Add: health and education cess at four per cent [section 2, Finance Act, 2026]		₹ 16,579
TOTAL TAX AND CESS		**₹ 4,31,059**
TOTAL TAX, rounded off [section 516]		**₹ 4,31,060**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Indus Infra Limited) [section 392]	₹ 3,16,400	
Less: TDS — FD interest (SBI) [section 393(1), Table Sl. No. 5(ii)]	₹ 9,500	
Less: TDS — dividend (Tata Steel) [section 393(1), Table Sl. No. 7]	₹ 1,800	
Less: advance tax paid on 15/12/2026 [sections 404 to 408]	₹ 40,000	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 40,000	
Total taxes paid		**₹ 4,07,700**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 23,360**

The figures to check

Total income ₹ 20,06,600 · Total tax ₹ 4,31,060 · Amount payable ₹ 23,360

The new regime saves him ₹ 17,410 — ₹ 4,13,650 against ₹ 4,31,060 under the old regime.

Working notes

Working note A — house rent allowance [Schedule III, Table Sl. No. 11; Rule 279] (old regime only)

Particulars	Amount
Salary for the purpose — basic salary and the dearness allowance that enters retirement benefits [Rule 279(2)(b)]	₹ 17,28,000
(a) The allowance actually received [Rule 279(1)(a)]	₹ 5,40,000
(b) Rent paid ₹ 5,76,000, less one-tenth of the salary ₹ 1,72,800 [Rule 279(1)(b)]	₹ 4,03,200
(c) 50 per cent of the salary — Delhi is one of the eight places [Rule 279(1)(c)]	₹ 8,64,000
Exempt — the least of (a), (b) and (c)	**₹ 4,03,200**
Taxable — the rest of the allowance	₹ 1,36,800

Under the new regime nothing of the house rent allowance is exempt [section 202(2)(a)(i)].

Working note B — the gifts of money [section 92(2)(m)(i)] (both regimes)

From	Who	A relative?	Amount
Mahesh Mehra	his father's brother	Yes — not income	₹ 75,000
Amit Goel	a friend	No	₹ 30,000
Vivek Arora	a colleague	No	₹ 25,000

The test is the total received in the year from persons who are not relatives, leaving out gifts received on marriage: ₹ 55,000, which exceeds ₹ 50,000 — so the whole of it is income, not the excess alone. A birthday is not an occasion the Act recognises.

Working note C — health insurance [section 126] (old regime only)

Payment for	Paid	Limit and rule
himself, his wife and children	₹ 22,000	Self and family — ₹ 25,000 [section 126(2)(a)]
his brother	₹ 12,000	Not allowed — brother is not "family" (spouse and children) and not a parent [section 126(2)]
his parents, aged 68 and 64	₹ 48,000	Parents — ₹ 50,000 [section 126(2)(b), with (8)(a)]
Allowed — self and family ₹ 22,000; parents ₹ 48,000		**₹ 70,000**

A parent here is a senior citizen, so the parents' limit is ₹ 50,000 — the insurance, the check-up and any medical expenditure on them together [section 126(4) and (8)(a)].

Working note D — donations [section 133] (old regime only)

Particulars	Amount
Gross total income, less the other Chapter VIII deductions — the adjusted gross total income [section 133(7)(a)]	₹ 20,27,600
Qualifying limit — ten per cent of it [section 133(2)]	₹ 2,02,760
Not allowed — Seva Trust (approved) ₹ 6,000 in cash, being above ₹ 2,000 [section 133(5)]	—
Donations subject to the qualifying limit	none
Add: donations allowed in full, with no qualifying limit [section 133(1)(a)]	₹ 21,000
Deduction under section 133	**₹ 21,000**

Section 133 is worked last, because its limit rests on what is left after every other deduction of the Chapter.

Advocate Dr. S. B. Rathore

CASE 13.17 · Sneha Kulkarni · Pune

SOLUTION (a) NEW REGIME

The option of section 202(4) is not exercised, so income-tax is computed under section 202(1), the default regime. Tax year 2026-27: 1 April 2026 to 31 March 2027. Interest under sections 423 to 425 is not computed; the return is furnished within the due date of 31 July 2027.

INCOME FROM SALARIES		
Basic salary (₹ 1,10,000 a month)	₹ 13,20,000	
Dearness allowance (₹ 11,000 a month) — the whole of it enters retirement benefits	₹ 1,32,000	
Children education allowance (₹ 4,000 a month — one child)	₹ 48,000	
Hostel expenditure allowance (₹ 10,000 a month — the same child, in a hostel)	₹ 1,20,000	
Uniform allowance (₹ 2,500 a month) — ₹ 21,000 spent on the uniform	₹ 30,000	
Special allowance	₹ 96,000	
Employer's contribution to NPS — ten per cent of basic salary and dearness allowance	₹ 1,45,200	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 18,91,200	
Less: children education, hostel and uniform allowances — not exempt under this regime [section 202(2)(a)(ii)]	₹ 0	
Net salary	₹ 18,91,200	
Less: standard deduction — ₹ 75,000, or the salary, whichever is less [section 19(1), Table Sl. No. 2]	₹ 75,000	
Less: tax on employment ₹ 2,500 — not deductible under this regime [section 202(2)(a)(iv)]	₹ 0	
Income chargeable under the head "Salaries"		**₹ 18,16,200**
INCOME FROM HOUSE PROPERTY		
Property 1 — Erandwane, Pune — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 2,38,000 — not deductible under this regime [section 202(2)(a)(v)]	₹ 0	
Income from property 1	₹ 0	
Property 2 — Nashik — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 3,24,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 8,000	
Annual value	₹ 3,16,000	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 94,800	
Less: interest on borrowed capital — nil, there is no loan on this house	₹ 0	
Income from property 2	₹ 2,21,200	
Income chargeable under the head "Income from house property"		**₹ 2,21,200**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Axis Bank [section 92]	₹ 8,600	
Interest on fixed deposits — Axis Bank, in the gross amount	₹ 62,000	
Interest on income-tax refund	₹ 3,400	
Income chargeable under the head "Income from other sources"		**₹ 74,000**
GROSS TOTAL INCOME [section 122(10)]		**₹ 21,11,400**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Employer's contribution to the pension scheme — ₹ 1,45,200, within 14 per cent of the salary of ₹ 14,52,000 (₹ 2,03,280) [section 124(1) and (2)]	₹ 1,45,200	
Nothing else in this Chapter is allowed under this regime — the claims under section 123, 126, 129, 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 1,45,200**
TOTAL INCOME, rounded off to the nearest multiple of ten rupees [section 516]		**₹ 19,66,200**
TAX ON THE TOTAL INCOME		
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 ₹ 3,66,200 — 20 per cent	₹ 73,240	
Tax payable on the total income		**₹ 1,93,240**
Less: rebate — nil, total income above ₹ 12,00,000 [section 156]		₹ 0
Add: health and education cess at four per cent [section 2, Finance Act, 2026]		₹ 7,730
TOTAL TAX AND CESS		**₹ 2,00,970**
TOTAL TAX, rounded off [section 516]		**₹ 2,00,970**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Sahyadri Software Limited) [section 392]	₹ 1,61,000	

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Less: TDS — FD interest (Axis Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 6,200	
Less: self-assessment tax paid on 20/07/2027 [section 266]	₹ 33,770	
Total taxes paid		**₹ 2,00,970**
AMOUNT PAYABLE — nil: the taxes paid meet the liability exactly		**₹ 0**

The figures to check

Total income ₹ 19,66,200 · Total tax ₹ 2,00,970 · Amount payable Nil

CASE 13.17 · Sneha Kulkarni · Pune

SOLUTION (b) OLD REGIME

The option of section 202(4) is 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. Tax year 2026-27: 1 April 2026 to 31 March 2027. Interest under sections 423 to 425 is not computed; the return is furnished within the due date of 31 July 2027.

INCOME FROM SALARIES		
Basic salary (₹ 1,10,000 a month)	₹ 13,20,000	
Dearness allowance (₹ 11,000 a month) — the whole of it enters retirement benefits	₹ 1,32,000	
Children education allowance (₹ 4,000 a month — one child)	₹ 48,000	
Hostel expenditure allowance (₹ 10,000 a month — the same child, in a hostel)	₹ 1,20,000	
Uniform allowance (₹ 2,500 a month) — ₹ 21,000 spent on the uniform	₹ 30,000	
Special allowance	₹ 96,000	
Employer's contribution to NPS — ten per cent of basic salary and dearness allowance	₹ 1,45,200	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 18,91,200	
Less: children education allowance — ₹ 3,000 a month for her one child [Schedule III, Table Sl. No. 13; Rule 280(2), Sl. No. 7]	₹ 36,000	
Less: hostel expenditure allowance — ₹ 9,000 a month for each child in a hostel (one child) [Schedule III, Table Sl. No. 13; Rule 280(2), Sl. No. 8]	₹ 1,08,000	
Less: uniform allowance — the ₹ 21,000 spent on the uniform [Schedule III, Table Sl. No. 12; Rule 280(1)(g)]	₹ 21,000	
Net salary	₹ 17,26,200	
Less: standard deduction — ₹ 50,000, or the salary, whichever is less [section 19(1), Table Sl. No. 2]	₹ 50,000	
Less: tax on employment [section 19(1), Table Sl. No. 1]	₹ 2,500	
Income chargeable under the head "Salaries"		**₹ 16,73,700**
INCOME FROM HOUSE PROPERTY		
Property 1 — Erandwane, Pune — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 2,38,000 — restricted to the ceiling of ₹ 2,00,000 [section 22(1)(b)]	₹ 2,00,000	
Income from property 1	-₹ 2,00,000	
Property 2 — Nashik — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 3,24,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 8,000	
Annual value	₹ 3,16,000	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 94,800	
Less: interest on borrowed capital — nil, there is no loan on this house	₹ 0	
Income from property 2	₹ 2,21,200	
Income chargeable under the head "Income from house property"		**₹ 21,200**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Axis Bank [section 92]	₹ 8,600	
Interest on fixed deposits — Axis Bank, in the gross amount	₹ 62,000	
Interest on income-tax refund	₹ 3,400	
Income chargeable under the head "Income from other sources"		**₹ 74,000**
GROSS TOTAL INCOME [section 122(10)]		**₹ 17,68,900**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Employer's contribution to the pension scheme — ₹ 1,45,200, within 10 per cent of the salary of ₹ 14,52,000 (₹ 1,45,200) [section 124(1) and (2)]	₹ 1,45,200	
Payments of Schedule XV — provident fund ₹ 1,58,400, LIC premium ₹ 24,000, Sukanya Samriddhi ₹ 50,000; restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance and medical expenditure — self and family ₹ 23,000; parents ₹ 21,000; Working note C [section 126]	₹ 44,000	
Interest on education loans — interest on the loan for her husband's M.Tech.; the ₹ 41,000 on the loan for her brother's B.Arch. gets nothing — a brother is not a "relative" (spouse, children, or a student of whom he or she is the legal guardian) [section 129(3)(e)]	₹ 68,000	
Interest on savings account — ₹ 8,600; ceiling ₹ 10,000 [section 153]	₹ 8,600	

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Total of the deductions allowed		**₹ 4,15,800**
TOTAL INCOME, rounded off to the nearest multiple of ten rupees [section 516]		**₹ 13,53,100**
TAX ON THE TOTAL INCOME		
On the first ₹ 2,50,000 — Nil [Paragraph A, Part I-B, First Schedule, 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 ₹ 3,53,100 — 30 per cent	₹ 1,05,930	
Tax payable on the total income		**₹ 2,18,430**
Less: rebate — nil, total income above ₹ 5,00,000 [section 156]		₹ 0
Add: health and education cess at four per cent [section 2, Finance Act, 2026]		₹ 8,737
TOTAL TAX AND CESS		**₹ 2,27,167**
TOTAL TAX, rounded off [section 516]		**₹ 2,27,170**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Sahyadri Software Limited) [section 392]	₹ 1,61,000	
Less: TDS — FD interest (Axis Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 6,200	
Less: self-assessment tax paid on 20/07/2027 [section 266]	₹ 33,770	
Total taxes paid		**₹ 2,00,970**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 26,200**

The figures to check

Total income ₹ 13,53,100 · Total tax ₹ 2,27,170 · Amount payable ₹ 26,200

The new regime saves her ₹ 26,200 — ₹ 2,00,970 against ₹ 2,27,170 under the old regime.

Working notes

Working note C — health insurance [section 126] (old regime only)

Payment for	Paid	Limit and rule
herself, her husband and son	₹ 19,000	Self and family — ₹ 25,000 [section 126(2)(a)]
herself and her husband — preventive check-up	₹ 4,000	Preventive check-up — up to ₹ 5,000 in aggregate, inside the limits of this section; cash allowed [section 126(3) and (9)(a)]
her parents, aged 58 and 55	₹ 21,000	Parents — ₹ 25,000 [section 126(2)(b)]
Allowed — self and family ₹ 23,000; parents ₹ 21,000		**₹ 44,000**

The parents' limit is ₹ 25,000, neither parent being a senior citizen [section 126(2)(b)].

Advocate Dr. S. B. Rathore

CASE 13.18 · Imran Qureshi · Hyderabad

SOLUTION (a) NEW REGIME

The option of section 202(4) is not exercised, so income-tax is computed under section 202(1), the default regime. Tax year 2026-27: 1 April 2026 to 31 March 2027. Interest under sections 423 to 425 is not computed; the return is furnished within the due date of 31 July 2027.

INCOME FROM SALARIES		
Basic salary (₹ 1,00,000 a month)	₹ 12,00,000	
Dearness allowance (₹ 20,000 a month) — one-half enters retirement benefits	₹ 2,40,000	
House rent allowance (₹ 40,000 a month)	₹ 4,80,000	
Entertainment allowance (₹ 3,000 a month)	₹ 36,000	
Medical allowance (₹ 1,500 a month)	₹ 18,000	
Performance bonus (December 2026)	₹ 1,20,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 20,94,000	
Less: house rent allowance — not exempt under this regime [section 202(2)(a)(i)]	₹ 0	
Net salary	₹ 20,94,000	
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 — not deductible under this regime [section 202(2)(a)(iv)]	₹ 0	
Income chargeable under the head "Salaries"		**₹ 20,19,000**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — HDFC Bank [section 92]	₹ 11,800	
Interest on fixed deposits — HDFC Bank, in the gross amount	₹ 54,000	
Sums of money received without consideration from persons who are not relatives — ₹ 40,000 in all, not above ₹ 50,000, so nothing is income; Working note B [section 92(2)(m)(i)]	₹ 0	
The ₹ 1,50,000 from friends and colleagues, on the occasion of his marriage — not income [section 92(3)(b)]	₹ 0	
Income chargeable under the head "Income from other sources"		**₹ 65,800**
GROSS TOTAL INCOME [section 122(10)]		**₹ 20,84,800**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing else in this Chapter is allowed under this regime — the claims under section 123, 126, 133, 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off to the nearest multiple of ten rupees [section 516]		**₹ 20,84,800**
TAX ON THE TOTAL INCOME		
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 ₹ 84,800 — 25 per cent	₹ 21,200	
Tax payable on the total income		**₹ 2,21,200**
Less: rebate — nil, total income above ₹ 12,00,000 [section 156]		₹ 0
Add: health and education cess at four per cent [section 2, Finance Act, 2026]		₹ 8,848
TOTAL TAX AND CESS		**₹ 2,30,048**
TOTAL TAX, rounded off [section 516]		**₹ 2,30,050**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Deccan Pharma Limited) [section 392]	₹ 2,00,600	
Less: TDS — FD interest (HDFC Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 5,400	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 15,000	
Total taxes paid		**₹ 2,21,000**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 9,050**

The figures to check

Total income ₹ 20,84,800 · Total tax ₹ 2,30,050 · Amount payable ₹ 9,050

Advocate Dr. S. B. Rathore

CASE 13.18 · Imran Qureshi · Hyderabad

SOLUTION (b) OLD REGIME

The option of section 202(4) is 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. Tax year 2026-27: 1 April 2026 to 31 March 2027. Interest under sections 423 to 425 is not computed; the return is furnished within the due date of 31 July 2027.

INCOME FROM SALARIES		
Basic salary (₹ 1,00,000 a month)	₹ 12,00,000	
Dearness allowance (₹ 20,000 a month) — one-half enters retirement benefits	₹ 2,40,000	
House rent allowance (₹ 40,000 a month)	₹ 4,80,000	
Entertainment allowance (₹ 3,000 a month)	₹ 36,000	
Medical allowance (₹ 1,500 a month)	₹ 18,000	
Performance bonus (December 2026)	₹ 1,20,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 20,94,000	
Less: house rent allowance — the least of the three limits; Working note A [Schedule III, Table Sl. No. 11; Rule 279]	₹ 2,28,000	
Net salary	₹ 18,66,000	
Less: standard deduction — ₹ 50,000, or the salary, whichever is less [section 19(1), Table Sl. No. 2]	₹ 50,000	
Less: tax on employment [section 19(1), Table Sl. No. 1]	₹ 2,400	
Income chargeable under the head "Salaries"		**₹ 18,13,600**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — HDFC Bank [section 92]	₹ 11,800	
Interest on fixed deposits — HDFC Bank, in the gross amount	₹ 54,000	
Sums of money received without consideration from persons who are not relatives — ₹ 40,000 in all, not above ₹ 50,000, so nothing is income; Working note B [section 92(2)(m)(i)]	₹ 0	
The ₹ 1,50,000 from friends and colleagues, on the occasion of his marriage — not income [section 92(3)(b)]	₹ 0	
Income chargeable under the head "Income from other sources"		**₹ 65,800**
GROSS TOTAL INCOME [section 122(10)]		**₹ 18,79,400**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 1,29,600, ELSS units ₹ 25,000; restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance and medical expenditure — self and family ₹ 14,000; parents ₹ 50,000; Working note C [section 126]	₹ 64,000	
Interest on savings account — ₹ 11,800; ceiling ₹ 10,000 [section 153]	₹ 10,000	
Donations — ₹ 25,000 in full; one-half of ₹ 60,000; the ₹ 3,000 in cash gets nothing; Working note D [section 133]	₹ 55,000	
Total of the deductions allowed		**₹ 2,79,000**
TOTAL INCOME, rounded off to the nearest multiple of ten rupees [section 516]		**₹ 16,00,400**
TAX ON THE TOTAL INCOME		
On the first ₹ 2,50,000 — Nil [Paragraph A, Part I-B, First Schedule, 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 ₹ 6,00,400 — 30 per cent	₹ 1,80,120	
Tax payable on the total income		**₹ 2,92,620**
Less: rebate — nil, total income above ₹ 5,00,000 [section 156]		₹ 0
Add: health and education cess at four per cent [section 2, Finance Act, 2026]		₹ 11,705
TOTAL TAX AND CESS		**₹ 3,04,325**
TOTAL TAX, rounded off [section 516]		**₹ 3,04,330**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Deccan Pharma Limited) [section 392]	₹ 2,00,600	
Less: TDS — FD interest (HDFC Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 5,400	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 15,000	
Total taxes paid		**₹ 2,21,000**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 83,330**

The figures to check

Total income ₹ 16,00,400 · Total tax ₹ 3,04,330 · Amount payable ₹ 83,330

The new regime saves him ₹ 74,280 — ₹ 2,30,050 against ₹ 3,04,330 under the old regime.

Working notes

Working note A — house rent allowance [Schedule III, Table Sl. No. 11; Rule 279] (old regime only)

Particulars	Amount
Salary for the purpose — basic salary and the dearness allowance that enters retirement benefits [Rule 279(2)(b)]	₹ 13,20,000
(a) The allowance actually received [Rule 279(1)(a)]	₹ 4,80,000
(b) Rent paid ₹ 3,60,000, less one-tenth of the salary ₹ 1,32,000 [Rule 279(1)(b)]	₹ 2,28,000
(c) 50 per cent of the salary — Hyderabad is one of the eight places [Rule 279(1)(c)]	₹ 6,60,000
Exempt — the least of (a), (b) and (c)	**₹ 2,28,000**
Taxable — the rest of the allowance	₹ 2,52,000

Under the new regime nothing of the house rent allowance is exempt [section 202(2)(a)(i)].

Working note B — the gifts of money [section 92(2)(m)(i)] (both regimes)

From	Who	A relative?	Amount
Friends and colleagues	—	No — but received on his marriage, so not income	₹ 1,50,000
Farah Khan	a family friend	No	₹ 40,000

The test is the total received in the year from persons who are not relatives, leaving out gifts received on marriage: ₹ 40,000, which does not exceed ₹ 50,000 — so none of it is income. A birthday is not an occasion the Act recognises.

Working note C — health insurance [section 126] (old regime only)

Payment for	Paid	Limit and rule
himself	₹ 14,000	Self and family — ₹ 25,000 [section 126(2)(a)]
his parents, aged 66 and 61	₹ 52,000	Parents — ₹ 50,000 [section 126(2)(b), with (8)(a)]
his parents — preventive check-up	₹ 6,000	Preventive check-up — up to ₹ 5,000 in aggregate, inside the limits of this section; cash allowed [section 126(3) and (9)(a)]
Allowed — self and family ₹ 14,000; parents ₹ 50,000		**₹ 64,000**

A parent here is a senior citizen, so the parents' limit is ₹ 50,000 — the insurance, the check-up and any medical expenditure on them together [section 126(4) and (8)(a)].

Working note D — donations [section 133] (old regime only)

Particulars	Amount
Gross total income, less the other Chapter VIII deductions — the adjusted gross total income [section 133(7)(a)]	₹ 16,55,400
Qualifying limit — ten per cent of it [section 133(2)]	₹ 1,65,540
Donations subject to the limit — Hope Foundation (approved) ₹ 60,000 by cheque (cash above ₹ 2,000 excluded)	₹ 60,000
Not allowed — Hope Foundation (approved) ₹ 3,000 in cash, being above ₹ 2,000 [section 133(5)]	—
The lower of the two	₹ 60,000
Fifty per cent of it	₹ 30,000
Add: donations allowed in full, with no qualifying limit [section 133(1)(a)]	₹ 25,000
Deduction under section 133	**₹ 55,000**

Section 133 is worked last, because its limit rests on what is left after every other deduction of the Chapter.

Advocate Dr. S. B. Rathore

CASE 13.19 · Pooja Agarwal · Jaipur

SOLUTION (a) NEW REGIME

The option of section 202(4) is not exercised, so income-tax is computed under section 202(1), the default regime. Tax year 2026-27: 1 April 2026 to 31 March 2027. Interest under sections 423 to 425 is not computed; the return is furnished within the due date of 31 July 2027.

INCOME FROM SALARIES		
Basic salary (₹ 80,000 a month)	₹ 9,60,000	
House rent allowance (₹ 25,000 a month)	₹ 3,00,000	
Special allowance (₹ 15,000 a month)	₹ 1,80,000	
Joining bonus (April 2026)	₹ 60,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 15,00,000	
Less: house rent allowance — not exempt under this regime [section 202(2)(a)(i)]	₹ 0	
Net salary	₹ 15,00,000	
Less: standard deduction — ₹ 75,000, or the salary, whichever is less [section 19(1), Table Sl. No. 2]	₹ 75,000	
Income chargeable under the head "Salaries"		**₹ 14,25,000**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — PNB [section 92]	₹ 7,800	
Interest on fixed deposits — PNB, in the gross amount	₹ 26,000	
Income chargeable under the head "Income from other sources"		**₹ 33,800**
GROSS TOTAL INCOME [section 122(10)]		**₹ 14,58,800**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing else in this Chapter is allowed under this regime — the claims under section 123, 126, 129, 133, 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off to the nearest multiple of ten rupees [section 516]		**₹ 14,58,800**
TAX ON THE TOTAL INCOME		
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 ₹ 2,58,800 — 15 per cent	₹ 38,820	
Tax payable on the total income		**₹ 98,820**
Less: rebate — nil, total income above ₹ 12,00,000 [section 156]		₹ 0
Add: health and education cess at four per cent [section 2, Finance Act, 2026]		₹ 3,953
TOTAL TAX AND CESS		**₹ 1,02,773**
TOTAL TAX, rounded off [section 516]		**₹ 1,02,770**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Marudhar Finance Limited) [section 392]	₹ 88,000	
Less: self-assessment tax paid on 18/07/2027 [section 266]	₹ 14,770	
Total taxes paid		**₹ 1,02,770**
AMOUNT PAYABLE — nil: the taxes paid meet the liability exactly		**₹ 0**

The figures to check

Total income ₹ 14,58,800 · Total tax ₹ 1,02,770 · Amount payable Nil

CASE 13.19 · Pooja Agarwal · Jaipur

SOLUTION (b) OLD REGIME

The option of section 202(4) is 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. Tax year 2026-27: 1 April 2026 to 31 March 2027. Interest under sections 423 to 425 is not computed; the return is furnished within the due date of 31 July 2027.

INCOME FROM SALARIES		
Basic salary (₹ 80,000 a month)	₹ 9,60,000	
House rent allowance (₹ 25,000 a month)	₹ 3,00,000	
Special allowance (₹ 15,000 a month)	₹ 1,80,000	
Joining bonus (April 2026)	₹ 60,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 15,00,000	
Less: house rent allowance — the least of the three limits; Working note A [Schedule III, Table Sl. No. 11; Rule 279]	₹ 1,68,000	
Net salary	₹ 13,32,000	
Less: standard deduction — ₹ 50,000, or the salary, whichever is less [section 19(1), Table Sl. No. 2]	₹ 50,000	
Income chargeable under the head "Salaries"		**₹ 12,82,000**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — PNB [section 92]	₹ 7,800	
Interest on fixed deposits — PNB, in the gross amount	₹ 26,000	
Income chargeable under the head "Income from other sources"		**₹ 33,800**
GROSS TOTAL INCOME [section 122(10)]		**₹ 13,15,800**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 1,15,200, term insurance premium ₹ 14,000; total ₹ 1,29,200, within ₹ 1,50,000 [section 123]	₹ 1,29,200	
Health insurance and medical expenditure — parents ₹ 18,000; ₹ 9,000 for her brother gets nothing; Working note C [section 126]	₹ 18,000	
Interest on education loans — interest on the loan for her own M.B.A. [section 129]	₹ 96,000	
Interest on savings account — ₹ 7,800; ceiling ₹ 10,000 [section 153]	₹ 7,800	
Donations — ₹ 11,000 in full; one-half of ₹ 1,500; the ₹ 2,500 in cash gets nothing; Working note D [section 133]	₹ 11,750	
Total of the deductions allowed		**₹ 2,62,750**
TOTAL INCOME, rounded off to the nearest multiple of ten rupees [section 516]		**₹ 10,53,050**
TAX ON THE TOTAL INCOME		
On the first ₹ 2,50,000 — Nil [Paragraph A, Part I-B, First Schedule, 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 ₹ 53,050 — 30 per cent	₹ 15,915	
Tax payable on the total income		**₹ 1,28,415**
Less: rebate — nil, total income above ₹ 5,00,000 [section 156]		₹ 0
Add: health and education cess at four per cent [section 2, Finance Act, 2026]		₹ 5,137
TOTAL TAX AND CESS		**₹ 1,33,552**
TOTAL TAX, rounded off [section 516]		**₹ 1,33,550**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Marudhar Finance Limited) [section 392]	₹ 88,000	
Less: self-assessment tax paid on 18/07/2027 [section 266]	₹ 14,770	
Total taxes paid		**₹ 1,02,770**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 30,780**

The figures to check

Total income ₹ 10,53,050 · Total tax ₹ 1,33,550 · Amount payable ₹ 30,780

The new regime saves her ₹ 30,780 — ₹ 1,02,770 against ₹ 1,33,550 under the old regime.

Working notes

Advocate Dr. S. B. Rathore

Working note A — house rent allowance [Schedule III, Table Sl. No. 11; Rule 279] (old regime only)

Particulars	Amount
Salary for the purpose — basic salary [Rule 279(2)(b)]	₹ 9,60,000
(a) The allowance actually received [Rule 279(1)(a)]	₹ 3,00,000
(b) Rent paid ₹ 2,64,000, less one-tenth of the salary ₹ 96,000 [Rule 279(1)(b)]	₹ 1,68,000
(c) 40 per cent of the salary — Jaipur is not one of the eight places [Rule 279(1)(c)]	₹ 3,84,000
Exempt — the least of (a), (b) and (c)	**₹ 1,68,000**
Taxable — the rest of the allowance	₹ 1,32,000

Under the new regime nothing of the house rent allowance is exempt [section 202(2)(a)(i)].

Working note C — health insurance [section 126] (old regime only)

Payment for	Paid	Limit and rule
her parents, aged 56 and 52	₹ 18,000	Parents — ₹ 25,000 [section 126(2)(b)]
her brother	₹ 9,000	Not allowed — brother is not "family" (spouse and children) and not a parent [section 126(2)]
Allowed — self and family ₹ 0; parents ₹ 18,000		**₹ 18,000**

The parents' limit is ₹ 25,000, neither parent being a senior citizen [section 126(2)(b)].

Working note D — donations [section 133] (old regime only)

Particulars	Amount
Gross total income, less the other Chapter VIII deductions — the adjusted gross total income [section 133(7)(a)]	₹ 10,64,800
Qualifying limit — ten per cent of it [section 133(2)]	₹ 1,06,480
Donations subject to the limit — Jeevan Trust (approved) ₹ 1,500 by cash (cash above ₹ 2,000 excluded)	₹ 1,500
Not allowed — Akshar Trust (approved) ₹ 2,500 in cash, being above ₹ 2,000 [section 133(5)]	—
The lower of the two	₹ 1,500
Fifty per cent of it	₹ 750
Add: donations allowed in full, with no qualifying limit [section 133(1)(a)]	₹ 11,000
Deduction under section 133	**₹ 11,750**

Section 133 is worked last, because its limit rests on what is left after every other deduction of the Chapter.

Advocate Dr. S. B. Rathore

CASE 13.20 · Vikram Sethi · Chandigarh

SOLUTION (a) NEW REGIME

The option of section 202(4) is not exercised, so income-tax is computed under section 202(1), the default regime. Tax year 2026-27: 1 April 2026 to 31 March 2027. Interest under sections 423 to 425 is not computed; the return is furnished within the due date of 31 July 2027.

INCOME FROM SALARIES		
Basic pay (₹ 1,05,000 a month)	₹ 12,60,000	
Dearness allowance (₹ 60,900 a month) — the whole of it enters retirement benefits	₹ 7,30,800	
House rent allowance (₹ 25,200 a month)	₹ 3,02,400	
Children education allowance (₹ 2,250 a month — two children)	₹ 27,000	
Transport allowance (₹ 7,200 a month)	₹ 86,400	
Government's contribution to NPS — ten per cent of basic pay and dearness allowance	₹ 1,99,080	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 26,05,680	
Less: house rent and children education allowances — not exempt under this regime [section 202(2)(a)(i) and (ii)]	₹ 0	
Net salary	₹ 26,05,680	
Less: standard deduction — ₹ 75,000, or the salary, whichever is less [section 19(1), Table Sl. No. 2]	₹ 75,000	
Less: tax on employment ₹ 2,500 — not deductible under this regime [section 202(2)(a)(iv)]	₹ 0	
Income chargeable under the head "Salaries"		**₹ 25,30,680**
INCOME FROM HOUSE PROPERTY		
Mohali — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 3,00,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 9,600	
Annual value	₹ 2,90,400	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 87,120	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 96,000	
Income from the property	₹ 1,07,280	
Income chargeable under the head "Income from house property"		**₹ 1,07,280**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — SBI [section 92]	₹ 9,200	
Dividend on listed equity shares of ONGC, in the gross amount	₹ 22,000	
Income chargeable under the head "Income from other sources"		**₹ 31,200**
GROSS TOTAL INCOME [section 122(10)]		**₹ 26,69,160**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Employer's contribution to the pension scheme — ₹ 1,99,080, within 14 per cent of the salary of ₹ 19,90,800 (₹ 2,78,712) [section 124(1) and (2)]	₹ 1,99,080	
Nothing else in this Chapter is allowed under this regime — the claims under section 123, 126, 137, 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 1,99,080**
TOTAL INCOME, rounded off to the nearest multiple of ten rupees [section 516]		**₹ 24,70,080**
TAX ON THE TOTAL INCOME		
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 ₹ 70,080 — 30 per cent	₹ 21,024	
Tax payable on the total income		**₹ 3,21,024**
Less: rebate — nil, total income above ₹ 12,00,000 [section 156]		₹ 0
Add: health and education cess at four per cent [section 2, Finance Act, 2026]		₹ 12,841
TOTAL TAX AND CESS		**₹ 3,33,865**
TOTAL TAX, rounded off [section 516]		**₹ 3,33,870**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Office of the Commissioner of Customs) [section 392]	₹ 3,18,000	
Less: TDS — dividend (ONGC) [section 393(1), Table Sl. No. 7]	₹ 2,200	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 10,000	
Total taxes paid		**₹ 3,30,200**

Advocate Dr. S. B. Rathore

AMOUNT PAYABLE, rounded off [section 266]		**₹ 3,670**

The figures to check

Total income ₹ 24,70,080 · Total tax ₹ 3,33,870 · Amount payable ₹ 3,670

CASE 13.20 · Vikram Sethi · Chandigarh

SOLUTION (b) OLD REGIME

The option of section 202(4) is 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. Tax year 2026-27: 1 April 2026 to 31 March 2027. Interest under sections 423 to 425 is not computed; the return is furnished within the due date of 31 July 2027.

INCOME FROM SALARIES		
Basic pay (₹ 1,05,000 a month)	₹ 12,60,000	
Dearness allowance (₹ 60,900 a month) — the whole of it enters retirement benefits	₹ 7,30,800	
House rent allowance (₹ 25,200 a month)	₹ 3,02,400	
Children education allowance (₹ 2,250 a month — two children)	₹ 27,000	
Transport allowance (₹ 7,200 a month)	₹ 86,400	
Government's contribution to NPS — ten per cent of basic pay and dearness allowance	₹ 1,99,080	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 26,05,680	
Less: house rent allowance — the least of the three limits; Working note A [Schedule III, Table Sl. No. 11; Rule 279]	₹ 1,60,920	
Less: children education allowance — ₹ 3,000 a month for each of his two children [Schedule III, Table Sl. No. 13; Rule 280(2), Sl. No. 7]	₹ 27,000	
Net salary	₹ 24,17,760	
Less: standard deduction — ₹ 50,000, or the salary, whichever is less [section 19(1), Table Sl. No. 2]	₹ 50,000	
Less: tax on employment [section 19(1), Table Sl. No. 1]	₹ 2,500	
Income chargeable under the head "Salaries"		**₹ 23,65,260**
INCOME FROM HOUSE PROPERTY		
Mohali — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 3,00,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 9,600	
Annual value	₹ 2,90,400	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 87,120	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 96,000	
Income from the property	₹ 1,07,280	
Income chargeable under the head "Income from house property"		**₹ 1,07,280**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — SBI [section 92]	₹ 9,200	
Dividend on listed equity shares of ONGC, in the gross amount	₹ 22,000	
Income chargeable under the head "Income from other sources"		**₹ 31,200**
GROSS TOTAL INCOME [section 122(10)]		**₹ 25,03,740**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Employer's contribution to the pension scheme — ₹ 1,99,080, within 14 per cent of the salary of ₹ 19,90,800 (₹ 2,78,712) [section 124(1) and (2)]	₹ 1,99,080	
Payments of Schedule XV — LIC premium ₹ 42,000, PPF ₹ 90,000, tuition fees — two children ₹ 36,000; restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance and medical expenditure — self and family ₹ 25,000; parents ₹ 48,000; Working note C [section 126]	₹ 73,000	
Contribution to Lok Hit Party otherwise than in cash; the ₹ 5,000 paid in cash gets nothing [section 137]	₹ 25,000	
Interest on savings account — ₹ 9,200; ceiling ₹ 10,000 [section 153]	₹ 9,200	
Total of the deductions allowed		**₹ 4,56,280**
TOTAL INCOME, rounded off to the nearest multiple of ten rupees [section 516]		**₹ 20,47,460**
TAX ON THE TOTAL INCOME		
On the first ₹ 2,50,000 — Nil [Paragraph A, Part I-B, First Schedule, 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 ₹ 10,47,460 — 30 per cent	₹ 3,14,238	
Tax payable on the total income		**₹ 4,26,738**
Less: rebate — nil, total income above ₹ 5,00,000 [section 156]		₹ 0
Add: health and education cess at four per cent [section 2, Finance Act, 2026]		₹ 17,070

Advocate Dr. S. B. Rathore

TOTAL TAX AND CESS		**₹ 4,43,808**
TOTAL TAX, rounded off [section 516]		**₹ 4,43,810**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Office of the Commissioner of Customs) [section 392]	₹ 3,18,000	
Less: TDS — dividend (ONGC) [section 393(1), Table Sl. No. 7]	₹ 2,200	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 10,000	
Total taxes paid		**₹ 3,30,200**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 1,13,610**

The figures to check

Total income ₹ 20,47,460 · Total tax ₹ 4,43,810 · Amount payable ₹ 1,13,610

The new regime saves him ₹ 1,09,940 — ₹ 3,33,870 against ₹ 4,43,810 under the old regime.

Working notes

Working note A — house rent allowance [Schedule III, Table Sl. No. 11; Rule 279] (old regime only)

Particulars	Amount
Salary for the purpose — basic salary and the dearness allowance that enters retirement benefits [Rule 279(2)(b)]	₹ 19,90,800
(a) The allowance actually received [Rule 279(1)(a)]	₹ 3,02,400
(b) Rent paid ₹ 3,60,000, less one-tenth of the salary ₹ 1,99,080 [Rule 279(1)(b)]	₹ 1,60,920
(c) 40 per cent of the salary — Chandigarh is not one of the eight places [Rule 279(1)(c)]	₹ 7,96,320
Exempt — the least of (a), (b) and (c)	**₹ 1,60,920**
Taxable — the rest of the allowance	₹ 1,41,480

Under the new regime nothing of the house rent allowance is exempt [section 202(2)(a)(i)].

Working note C — health insurance [section 126] (old regime only)

Payment for	Paid	Limit and rule
himself, his wife (aged 52) and children	₹ 28,000	Self and family — ₹ 25,000 [section 126(2)(a)]
his mother, aged 82 — not insured; medical expenditure	₹ 48,000	Medical expenditure on an uninsured senior citizen [section 126(2)(d) and (7)]
Allowed — self and family ₹ 25,000; parents ₹ 48,000		**₹ 73,000**

A parent here is a senior citizen, so the parents' limit is ₹ 50,000 — the insurance, the check-up and any medical expenditure on them together [section 126(4) and (8)(a)].

Advocate Dr. S. B. Rathore

CASE 13.21 · Anita Desai · Ahmedabad

SOLUTION (a) NEW REGIME

The option of section 202(4) is not exercised, so income-tax is computed under section 202(1), the default regime. Tax year 2026-27: 1 April 2026 to 31 March 2027. Interest under sections 423 to 425 is not computed; the return is furnished within the due date of 31 July 2027.

INCOME FROM SALARIES		
Basic salary (₹ 75,000 a month)	₹ 9,00,000	
Dearness allowance (₹ 15,000 a month) — the whole of it enters retirement benefits	₹ 1,80,000	
House rent allowance (₹ 30,000 a month)	₹ 3,60,000	
Children education allowance (₹ 3,500 a month — two children)	₹ 42,000	
Special allowance	₹ 84,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 15,66,000	
Less: house rent and children education allowances — not exempt under this regime [section 202(2)(a)(i) and (ii)]	₹ 0	
Net salary	₹ 15,66,000	
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 — not deductible under this regime [section 202(2)(a)(iv)]	₹ 0	
Income chargeable under the head "Salaries"		**₹ 14,91,000**
INCOME FROM OTHER SOURCES		
Family pension, in the gross amount	₹ 2,70,000	
Less: one-third, ₹ 90,000, or ₹ 25,000, whichever is less [section 93(1)(d)]	₹ 25,000	
Interest credited to the savings bank account — Bank of Baroda [section 92]	₹ 12,600	
Interest on fixed deposits — Bank of Baroda, in the gross amount	₹ 48,000	
Sums of money received without consideration from persons who are not relatives — ₹ 60,000 in all, which exceeds ₹ 50,000, so the whole is income; Working note B [section 92(2)(m)(i)]	₹ 60,000	
The ₹ 1,00,000 from her brother — a relative, so not income [section 92(3)(a)]	₹ 0	
Income chargeable under the head "Income from other sources"		**₹ 3,65,600**
GROSS TOTAL INCOME [section 122(10)]		**₹ 18,56,600**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing else in this Chapter is allowed under this regime — the claims under section 123, 126, 129, 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off to the nearest multiple of ten rupees [section 516]		**₹ 18,56,600**
TAX ON THE TOTAL INCOME		
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 ₹ 2,56,600 — 20 per cent	₹ 51,320	
Tax payable on the total income		**₹ 1,71,320**
Less: rebate — nil, total income above ₹ 12,00,000 [section 156]		₹ 0
Add: health and education cess at four per cent [section 2, Finance Act, 2026]		₹ 6,853
TOTAL TAX AND CESS		**₹ 1,78,173**
TOTAL TAX, rounded off [section 516]		**₹ 1,78,170**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Narmada Textiles Limited) [section 392]	₹ 1,60,200	
Less: self-assessment tax paid on 21/07/2027 [section 266]	₹ 17,970	
Total taxes paid		**₹ 1,78,170**
AMOUNT PAYABLE — nil: the taxes paid meet the liability exactly		**₹ 0**

The figures to check

Total income ₹ 18,56,600 · Total tax ₹ 1,78,170 · Amount payable Nil

Advocate Dr. S. B. Rathore

CASE 13.21 · Anita Desai · Ahmedabad

SOLUTION (b) OLD REGIME

The option of section 202(4) is 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. Tax year 2026-27: 1 April 2026 to 31 March 2027. Interest under sections 423 to 425 is not computed; the return is furnished within the due date of 31 July 2027.

INCOME FROM SALARIES		
Basic salary (₹ 75,000 a month)	₹ 9,00,000	
Dearness allowance (₹ 15,000 a month) — the whole of it enters retirement benefits	₹ 1,80,000	
House rent allowance (₹ 30,000 a month)	₹ 3,60,000	
Children education allowance (₹ 3,500 a month — two children)	₹ 42,000	
Special allowance	₹ 84,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 15,66,000	
Less: house rent allowance — the least of the three limits; Working note A [Schedule III, Table Sl. No. 11; Rule 279]	₹ 1,92,000	
Less: children education allowance — ₹ 3,000 a month for each of her two children [Schedule III, Table Sl. No. 13; Rule 280(2), Sl. No. 7]	₹ 42,000	
Net salary	₹ 13,32,000	
Less: standard deduction — ₹ 50,000, or the salary, whichever is less [section 19(1), Table Sl. No. 2]	₹ 50,000	
Less: tax on employment [section 19(1), Table Sl. No. 1]	₹ 2,400	
Income chargeable under the head "Salaries"		**₹ 12,79,600**
INCOME FROM OTHER SOURCES		
Family pension, in the gross amount	₹ 2,70,000	
Less: one-third, ₹ 90,000, or ₹ 15,000, whichever is less [section 93(1)(d)]	₹ 15,000	
Interest credited to the savings bank account — Bank of Baroda [section 92]	₹ 12,600	
Interest on fixed deposits — Bank of Baroda, in the gross amount	₹ 48,000	
Sums of money received without consideration from persons who are not relatives — ₹ 60,000 in all, which exceeds ₹ 50,000, so the whole is income; Working note B [section 92(2)(m)(i)]	₹ 60,000	
The ₹ 1,00,000 from her brother — a relative, so not income [section 92(3)(a)]	₹ 0	
Income chargeable under the head "Income from other sources"		**₹ 3,75,600**
GROSS TOTAL INCOME [section 122(10)]		**₹ 16,55,200**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 1,29,600, Sukanya Samriddhi ₹ 50,000, tuition fees — two children ₹ 40,000; restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance and medical expenditure — self and family ₹ 21,000; ₹ 15,000 for her mother-in-law gets nothing; Working note C [section 126]	₹ 21,000	
Interest on education loans — interest on the loan for her son's B.Tech. [section 129]	₹ 88,000	
Interest on savings account — ₹ 12,600; ceiling ₹ 10,000 [section 153]	₹ 10,000	
Total of the deductions allowed		**₹ 2,69,000**
TOTAL INCOME, rounded off to the nearest multiple of ten rupees [section 516]		**₹ 13,86,200**
TAX ON THE TOTAL INCOME		
On the first ₹ 2,50,000 — Nil [Paragraph A, Part I-B, First Schedule, 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 ₹ 3,86,200 — 30 per cent	₹ 1,15,860	
Tax payable on the total income		**₹ 2,28,360**
Less: rebate — nil, total income above ₹ 5,00,000 [section 156]		₹ 0
Add: health and education cess at four per cent [section 2, Finance Act, 2026]		₹ 9,134
TOTAL TAX AND CESS		**₹ 2,37,494**
TOTAL TAX, rounded off [section 516]		**₹ 2,37,490**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Narmada Textiles Limited) [section 392]	₹ 1,60,200	
Less: self-assessment tax paid on 21/07/2027 [section 266]	₹ 17,970	
Total taxes paid		**₹ 1,78,170**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 59,320**

The figures to check

Total income ₹ 13,86,200 · Total tax ₹ 2,37,490 · Amount payable ₹ 59,320

The new regime saves her ₹ 59,320 — ₹ 1,78,170 against ₹ 2,37,490 under the old regime.

Advocate Dr. S. B. Rathore

Working notes

Working note A — house rent allowance [Schedule III, Table Sl. No. 11; Rule 279] (old regime only)

Particulars	Amount
Salary for the purpose — basic salary and the dearness allowance that enters retirement benefits [Rule 279(2)(b)]	₹ 10,80,000
(a) The allowance actually received [Rule 279(1)(a)]	₹ 3,60,000
(b) Rent paid ₹ 3,00,000, less one-tenth of the salary ₹ 1,08,000 [Rule 279(1)(b)]	₹ 1,92,000
(c) 50 per cent of the salary — Ahmedabad is one of the eight places [Rule 279(1)(c)]	₹ 5,40,000
Exempt — the least of (a), (b) and (c)	**₹ 1,92,000**
Taxable — the rest of the allowance	₹ 1,68,000

Under the new regime nothing of the house rent allowance is exempt [section 202(2)(a)(i)].

Working note B — the gifts of money [section 92(2)(m)(i)] (both regimes)

From	Who	A relative?	Amount
Mahesh Shah	her brother	Yes — not income	₹ 1,00,000
Kavita Mehta	a friend	No	₹ 60,000

The test is the total received in the year from persons who are not relatives, leaving out gifts received on marriage: ₹ 60,000, which exceeds ₹ 50,000 — so the whole of it is income, not the excess alone. A birthday is not an occasion the Act recognises.

Working note C — health insurance [section 126] (old regime only)

Payment for	Paid	Limit and rule
herself and her two children	₹ 21,000	Self and family — ₹ 25,000 [section 126(2)(a)]
her mother-in-law	₹ 15,000	Not allowed — mother-in-law is not "family" (spouse and children) and not a parent [section 126(2)]
Allowed — self and family ₹ 21,000; parents ₹ 0		**₹ 21,000**

Advocate Dr. S. B. Rathore

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SOLUTION (a) NEW REGIME

The option of section 202(4) is not exercised, so income-tax is computed under section 202(1), the default regime. Tax year 2026-27: 1 April 2026 to 31 March 2027. Interest under sections 423 to 425 is not computed; the return is furnished within the due date of 31 July 2027.

INCOME FROM SALARIES		
Basic salary (₹ 1,30,000 a month)	₹ 15,60,000	
Dearness allowance (₹ 26,000 a month) — the whole of it enters retirement benefits	₹ 3,12,000	
Special allowance (₹ 30,000 a month)	₹ 3,60,000	
Conveyance allowance (₹ 5,000 a month) — the whole spent in the performance of duties	₹ 60,000	
Employer's contribution to NPS — ten per cent of basic salary and dearness allowance	₹ 1,87,200	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 24,79,200	
Less: conveyance allowance — the ₹ 60,000 spent in the performance of duties, kept under this regime [Schedule III, Table Sl. No. 12; Rule 280(1)(d) and (3)]	₹ 60,000	
Net salary	₹ 24,19,200	
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 — not deductible under this regime [section 202(2)(a)(iv)]	₹ 0	
Income chargeable under the head "Salaries"		**₹ 23,44,200**
INCOME FROM HOUSE PROPERTY		
Property 1 — Salt Lake, Kolkata — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,20,000 — not deductible under this regime [section 202(2)(a)(v)]	₹ 0	
Income from property 1	₹ 0	
Property 2 — Durgapur — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 4,20,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 12,000	
Annual value	₹ 4,08,000	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 1,22,400	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 90,000	
Income from property 2	₹ 1,95,600	
Income chargeable under the head "Income from house property"		**₹ 1,95,600**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — UCO Bank [section 92]	₹ 16,400	
Interest on fixed deposits — UCO Bank, in the gross amount	₹ 72,000	
Dividend on listed equity shares of ITC, in the gross amount	₹ 30,000	
Income chargeable under the head "Income from other sources"		**₹ 1,18,400**
GROSS TOTAL INCOME [section 122(10)]		**₹ 26,58,200**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Employer's contribution to the pension scheme — ₹ 1,87,200, within 14 per cent of the salary of ₹ 18,72,000 (₹ 2,62,080) [section 124(1) and (2)]	₹ 1,87,200	
Nothing else in this Chapter is allowed under this regime — the claims under section 123, 126, 128, 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 1,87,200**
TOTAL INCOME, rounded off to the nearest multiple of ten rupees [section 516]		**₹ 24,71,000**
TAX ON THE TOTAL INCOME		
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 ₹ 71,000 — 30 per cent	₹ 21,300	
Tax payable on the total income		**₹ 3,21,300**
Less: rebate — nil, total income above ₹ 12,00,000 [section 156]		₹ 0
Add: health and education cess at four per cent [section 2, Finance Act, 2026]		₹ 12,852
TOTAL TAX AND CESS		**₹ 3,34,152**
TOTAL TAX, rounded off [section 516]		**₹ 3,34,150**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Hooghly Engineering Limited) [section 392]	₹ 2,70,000	

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Less: TDS — FD interest (UCO Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 7,200	
Less: TDS — dividend (ITC) [section 393(1), Table Sl. No. 7]	₹ 3,000	
Less: advance tax paid on 15/12/2026 [sections 404 to 408]	₹ 25,000	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 25,000	
Total taxes paid		**₹ 3,30,200**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 3,950**

The figures to check

Total income ₹ 24,71,000 · Total tax ₹ 3,34,150 · Amount payable ₹ 3,950

CASE 13.22 · Rahul Bhatia · Kolkata

SOLUTION (b) OLD REGIME

The option of section 202(4) is 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. Tax year 2026-27: 1 April 2026 to 31 March 2027. Interest under sections 423 to 425 is not computed; the return is furnished within the due date of 31 July 2027.

INCOME FROM SALARIES		
Basic salary (₹ 1,30,000 a month)	₹ 15,60,000	
Dearness allowance (₹ 26,000 a month) — the whole of it enters retirement benefits	₹ 3,12,000	
Special allowance (₹ 30,000 a month)	₹ 3,60,000	
Conveyance allowance (₹ 5,000 a month) — the whole spent in the performance of duties	₹ 60,000	
Employer's contribution to NPS — ten per cent of basic salary and dearness allowance	₹ 1,87,200	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 24,79,200	
Less: conveyance allowance — the ₹ 60,000 spent in the performance of duties [Schedule III, Table Sl. No. 12; Rule 280(1)(d)]	₹ 60,000	
Net salary	₹ 24,19,200	
Less: standard deduction — ₹ 50,000, or the salary, whichever is less [section 19(1), Table Sl. No. 2]	₹ 50,000	
Less: tax on employment [section 19(1), Table Sl. No. 1]	₹ 2,400	
Income chargeable under the head "Salaries"		**₹ 23,66,800**
INCOME FROM HOUSE PROPERTY		
Property 1 — Salt Lake, Kolkata — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,20,000 — within the ceiling of ₹ 2,00,000 [section 22(1)(b)]	₹ 1,20,000	
Income from property 1	-₹ 1,20,000	
Property 2 — Durgapur — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 4,20,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 12,000	
Annual value	₹ 4,08,000	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 1,22,400	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 90,000	
Income from property 2	₹ 1,95,600	
Income chargeable under the head "Income from house property"		**₹ 75,600**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — UCO Bank [section 92]	₹ 16,400	
Interest on fixed deposits — UCO Bank, in the gross amount	₹ 72,000	
Dividend on listed equity shares of ITC, in the gross amount	₹ 30,000	
Income chargeable under the head "Income from other sources"		**₹ 1,18,400**
GROSS TOTAL INCOME [section 122(10)]		**₹ 25,60,800**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Employer's contribution to the pension scheme — ₹ 1,87,200, within 10 per cent of the salary of ₹ 18,72,000 (₹ 1,87,200) [section 124(1) and (2)]	₹ 1,87,200	
Payments of Schedule XV — provident fund ₹ 2,24,640, housing loan principal — Salt Lake ₹ 95,000; restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance and medical expenditure — self and family ₹ 24,000; parents ₹ 50,000; Working note C [section 126]	₹ 74,000	
Treatment of a specified disease of his brother, wholly dependent on him — ₹ 48,000 spent; ceiling ₹ 40,000 [section 128]	₹ 40,000	
Interest on savings account — ₹ 16,400; ceiling ₹ 10,000 [section 153]	₹ 10,000	
Total of the deductions allowed		**₹ 4,61,200**
TOTAL INCOME, rounded off to the nearest multiple of ten rupees [section 516]		**₹ 20,99,600**

Advocate Dr. S. B. Rathore

TAX ON THE TOTAL INCOME		
On the first ₹ 2,50,000 — Nil [Paragraph A, Part I-B, First Schedule, 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 ₹ 10,99,600 — 30 per cent	₹ 3,29,880	
Tax payable on the total income		**₹ 4,42,380**
Less: rebate — nil, total income above ₹ 5,00,000 [section 156]		₹ 0
Add: health and education cess at four per cent [section 2, Finance Act, 2026]		₹ 17,695
TOTAL TAX AND CESS		**₹ 4,60,075**
TOTAL TAX, rounded off [section 516]		**₹ 4,60,080**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Hooghly Engineering Limited) [section 392]	₹ 2,70,000	
Less: TDS — FD interest (UCO Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 7,200	
Less: TDS — dividend (ITC) [section 393(1), Table Sl. No. 7]	₹ 3,000	
Less: advance tax paid on 15/12/2026 [sections 404 to 408]	₹ 25,000	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 25,000	
Total taxes paid		**₹ 3,30,200**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 1,29,880**

The figures to check

Total income ₹ 20,99,600 · Total tax ₹ 4,60,080 · Amount payable ₹ 1,29,880

The new regime saves him ₹ 1,25,930 — ₹ 3,34,150 against ₹ 4,60,080 under the old regime.

Working notes

Working note C — health insurance [section 126] (old regime only)

Payment for	Paid	Limit and rule
himself, his wife and daughter	₹ 24,000	Self and family — ₹ 25,000 [section 126(2)(a)]
his parents, aged 74 and 70	₹ 55,000	Parents — ₹ 50,000 [section 126(2)(b), with (8)(a)]
Allowed — self and family ₹ 24,000; parents ₹ 50,000		**₹ 74,000**

A parent here is a senior citizen, so the parents' limit is ₹ 50,000 — the insurance, the check-up and any medical expenditure on them together [section 126(4) and (8)(a)].

Advocate Dr. S. B. Rathore

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SOLUTION (a) NEW REGIME

The option of section 202(4) is not exercised, so income-tax is computed under section 202(1), the default regime. Tax year 2026-27: 1 April 2026 to 31 March 2027. Interest under sections 423 to 425 is not computed; the return is furnished within the due date of 31 July 2027.

INCOME FROM SALARIES		
Basic salary (₹ 1,40,000 a month)	₹ 16,80,000	
House rent allowance (₹ 56,000 a month)	₹ 6,72,000	
Special allowance (₹ 25,000 a month)	₹ 3,00,000	
Performance bonus (June 2026)	₹ 2,00,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 28,52,000	
Less: house rent allowance — not exempt under this regime [section 202(2)(a)(i)]	₹ 0	
Net salary	₹ 28,52,000	
Less: standard deduction — ₹ 75,000, or the salary, whichever is less [section 19(1), Table Sl. No. 2]	₹ 75,000	
Less: tax on employment ₹ 2,500 — not deductible under this regime [section 202(2)(a)(iv)]	₹ 0	
Income chargeable under the head "Salaries"		**₹ 27,77,000**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank accounts — Canara Bank and ICICI Bank [section 92]	₹ 13,300	
Interest on fixed deposits — Canara Bank, in the gross amount	₹ 40,000	
Income chargeable under the head "Income from other sources"		**₹ 53,300**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares sold, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 5,82,000	
Less: cost of acquisition	₹ 4,58,000	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		**₹ 1,24,000**
GROSS TOTAL INCOME [section 122(10)]		**₹ 29,54,300**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing else in this Chapter is allowed under this regime — the claims under section 123, 126, 129, 137, 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off to the nearest multiple of ten rupees [section 516]		**₹ 29,54,300**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 1,24,000 [section 198(2)(b)]	₹ 28,30,300	
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 ₹ 4,30,300 — 30 per cent	₹ 1,29,090	
Tax on the long-term capital gain — nil, the gain being within ₹ 1,25,000 [section 198(2)(a)]	₹ 0	
Tax payable on the total income		**₹ 4,29,090**
Less: rebate — nil, total income above ₹ 12,00,000 [section 156]		₹ 0
Add: health and education cess at four per cent [section 2, Finance Act, 2026]		₹ 17,164
TOTAL TAX AND CESS		**₹ 4,46,254**
TOTAL TAX, rounded off [section 516]		**₹ 4,46,250**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Kaveri Analytics Private Limited) [section 392]	₹ 3,70,200	
Less: TDS — FD interest (Canara Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 4,000	
Less: advance tax paid on 15/09/2026 [sections 404 to 408]	₹ 20,000	
Less: advance tax paid on 15/12/2026 [sections 404 to 408]	₹ 20,000	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 20,000	
Total taxes paid		**₹ 4,34,200**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 12,050**

The figures to check

Total income ₹ 29,54,300 · Total tax ₹ 4,46,250 · Amount payable ₹ 12,050

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SOLUTION (b) OLD REGIME

The option of section 202(4) is 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. Tax year 2026-27: 1 April 2026 to 31 March 2027. Interest under sections 423 to 425 is not computed; the return is furnished within the due date of 31 July 2027.

INCOME FROM SALARIES		
Basic salary (₹ 1,40,000 a month)	₹ 16,80,000	
House rent allowance (₹ 56,000 a month)	₹ 6,72,000	
Special allowance (₹ 25,000 a month)	₹ 3,00,000	
Performance bonus (June 2026)	₹ 2,00,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 28,52,000	
Less: house rent allowance — the least of the three limits; Working note A [Schedule III, Table Sl. No. 11; Rule 279]	₹ 4,08,000	
Net salary	₹ 24,44,000	
Less: standard deduction — ₹ 50,000, or the salary, whichever is less [section 19(1), Table Sl. No. 2]	₹ 50,000	
Less: tax on employment [section 19(1), Table Sl. No. 1]	₹ 2,500	
Income chargeable under the head "Salaries"		**₹ 23,91,500**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank accounts — Canara Bank and ICICI Bank [section 92]	₹ 13,300	
Interest on fixed deposits — Canara Bank, in the gross amount	₹ 40,000	
Income chargeable under the head "Income from other sources"		**₹ 53,300**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares sold, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 5,82,000	
Less: cost of acquisition	₹ 4,58,000	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		**₹ 1,24,000**
GROSS TOTAL INCOME [section 122(10)]		**₹ 25,68,800**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 2,01,600, ELSS units ₹ 30,000; restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance and medical expenditure — self and family ₹ 25,000; parents ₹ 31,000; ₹ 11,000 for his brother gets nothing; Working note C [section 126]	₹ 56,000	
Interest on education loans — the ₹ 52,000 on the loan for his brother's M.B.B.S. gets nothing — a brother is not a "relative" (spouse, children, or a student of whom he or she is the legal guardian) [section 129(3)(e)]	₹ 0	
Contribution to Praja Party otherwise than in cash; the ₹ 10,000 paid in cash gets nothing [section 137]	₹ 40,000	
Interest on savings accounts — ₹ 13,300; ceiling ₹ 10,000 [section 153]	₹ 10,000	
Total of the deductions allowed		**₹ 2,56,000**
TOTAL INCOME, rounded off to the nearest multiple of ten rupees [section 516]		**₹ 23,12,800**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 1,24,000 [section 198(2)(b)]	₹ 21,88,800	
On the first ₹ 2,50,000 — Nil [Paragraph A, Part I-B, First Schedule, 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 ₹ 11,88,800 — 30 per cent	₹ 3,56,640	
Tax on the long-term capital gain — nil, the gain being within ₹ 1,25,000 [section 198(2)(a)]	₹ 0	
Tax payable on the total income		**₹ 4,69,140**
Less: rebate — nil, total income above ₹ 5,00,000 [section 156]		₹ 0
Add: health and education cess at four per cent [section 2, Finance Act, 2026]		₹ 18,766
TOTAL TAX AND CESS		**₹ 4,87,906**
TOTAL TAX, rounded off [section 516]		**₹ 4,87,910**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Kaveri Analytics Private Limited) [section 392]	₹ 3,70,200	
Less: TDS — FD interest (Canara Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 4,000	
Less: advance tax paid on 15/09/2026 [sections 404 to 408]	₹ 20,000	
Less: advance tax paid on 15/12/2026 [sections 404 to 408]	₹ 20,000	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 20,000	
Total taxes paid		**₹ 4,34,200**

AMOUNT PAYABLE, rounded off [section 266]		**₹ 53,710**

The figures to check

Total income ₹ 23,12,800 · Total tax ₹ 4,87,910 · Amount payable ₹ 53,710

The new regime saves him ₹ 41,660 — ₹ 4,46,250 against ₹ 4,87,910 under the old regime.

Working notes

Working note A — house rent allowance [Schedule III, Table Sl. No. 11; Rule 279] (old regime only)

Particulars	Amount
Salary for the purpose — basic salary [Rule 279(2)(b)]	₹ 16,80,000
(a) The allowance actually received [Rule 279(1)(a)]	₹ 6,72,000
(b) Rent paid ₹ 5,76,000, less one-tenth of the salary ₹ 1,68,000 [Rule 279(1)(b)]	₹ 4,08,000
(c) 50 per cent of the salary — Bengaluru is one of the eight places [Rule 279(1)(c)]	₹ 8,40,000
Exempt — the least of (a), (b) and (c)	**₹ 4,08,000**
Taxable — the rest of the allowance	₹ 2,64,000

Under the new regime nothing of the house rent allowance is exempt [section 202(2)(a)(i)].

Working note C — health insurance [section 126] (old regime only)

Payment for	Paid	Limit and rule
himself and his wife	₹ 26,000	Self and family — ₹ 25,000 [section 126(2)(a)]
his brother	₹ 11,000	Not allowed — brother is not "family" (spouse and children) and not a parent [section 126(2)]
his parents, aged 64 and 61	₹ 31,000	Parents — ₹ 50,000 [section 126(2)(b), with (8)(a)]
Allowed — self and family ₹ 25,000; parents ₹ 31,000		**₹ 56,000**

A parent here is a senior citizen, so the parents' limit is ₹ 50,000 — the insurance, the check-up and any medical expenditure on them together [section 126(4) and (8)(a)].

Advocate Dr. S. B. Rathore

CASE 13.24 · Meera Joshi · Lucknow

SOLUTION (a) NEW REGIME

The option of section 202(4) is not exercised, so income-tax is computed under section 202(1), the default regime. Tax year 2026-27: 1 April 2026 to 31 March 2027. Interest under sections 423 to 425 is not computed; the return is furnished within the due date of 31 July 2027.

INCOME FROM SALARIES		
Basic salary (₹ 1,25,000 a month)	₹ 15,00,000	
Dearness allowance (₹ 50,000 a month) — the whole of it enters retirement benefits	₹ 6,00,000	
House rent allowance (₹ 30,000 a month)	₹ 3,60,000	
Research allowance (₹ 4,000 a month)	₹ 48,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 25,08,000	
Less: house rent allowance — not exempt under this regime [section 202(2)(a)(i)]	₹ 0	
Net salary	₹ 25,08,000	
Less: standard deduction — ₹ 75,000, or the salary, whichever is less [section 19(1), Table Sl. No. 2]	₹ 75,000	
Income chargeable under the head "Salaries"		**₹ 24,33,000**
INCOME FROM HOUSE PROPERTY		
Kanpur — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 2,64,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 10,000	
Annual value	₹ 2,54,000	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 76,200	
Less: interest on borrowed capital — nil, there is no loan on this house	₹ 0	
Income from the property	₹ 1,77,800	
Income chargeable under the head "Income from house property"		**₹ 1,77,800**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Bank of India [section 92]	₹ 9,400	
Interest on fixed deposits — Bank of India, in the gross amount	₹ 1,18,000	
Interest on income-tax refund	₹ 5,600	
Income chargeable under the head "Income from other sources"		**₹ 1,33,000**
GROSS TOTAL INCOME [section 122(10)]		**₹ 27,43,800**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing else in this Chapter is allowed under this regime — the claims under section 123, 126, 128, 133, 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off to the nearest multiple of ten rupees [section 516]		**₹ 27,43,800**
TAX ON THE TOTAL INCOME		
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 ₹ 3,43,800 — 30 per cent	₹ 1,03,140	
Tax payable on the total income		**₹ 4,03,140**
Less: rebate — nil, total income above ₹ 12,00,000 [section 156]		₹ 0
Add: health and education cess at four per cent [section 2, Finance Act, 2026]		₹ 16,126
TOTAL TAX AND CESS		**₹ 4,19,266**
TOTAL TAX, rounded off [section 516]		**₹ 4,19,270**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Awadh University) [section 392]	₹ 3,95,000	
Less: TDS — FD interest (Bank of India) [section 393(1), Table Sl. No. 5(ii)]	₹ 11,800	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 25,000	
Total taxes paid		**₹ 4,31,800**
REFUND DUE [sections 431 and 437]		**₹ 12,530**

The figures to check

Total income ₹ 27,43,800 · Total tax ₹ 4,19,270 · Refund due ₹ 12,530

Advocate Dr. S. B. Rathore

CASE 13.24 · Meera Joshi · Lucknow

SOLUTION (b) OLD REGIME

The option of section 202(4) is 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. Tax year 2026-27: 1 April 2026 to 31 March 2027. Interest under sections 423 to 425 is not computed; the return is furnished within the due date of 31 July 2027.

INCOME FROM SALARIES		
Basic salary (₹ 1,25,000 a month)	₹ 15,00,000	
Dearness allowance (₹ 50,000 a month) — the whole of it enters retirement benefits	₹ 6,00,000	
House rent allowance (₹ 30,000 a month)	₹ 3,60,000	
Research allowance (₹ 4,000 a month)	₹ 48,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 25,08,000	
Less: house rent allowance — the least of the three limits; Working note A [Schedule III, Table Sl. No. 11; Rule 279]	₹ 78,000	
Net salary	₹ 24,30,000	
Less: standard deduction — ₹ 50,000, or the salary, whichever is less [section 19(1), Table Sl. No. 2]	₹ 50,000	
Income chargeable under the head "Salaries"		**₹ 23,80,000**
INCOME FROM HOUSE PROPERTY		
Kanpur — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 2,64,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 10,000	
Annual value	₹ 2,54,000	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 76,200	
Less: interest on borrowed capital — nil, there is no loan on this house	₹ 0	
Income from the property	₹ 1,77,800	
Income chargeable under the head "Income from house property"		**₹ 1,77,800**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Bank of India [section 92]	₹ 9,400	
Interest on fixed deposits — Bank of India, in the gross amount	₹ 1,18,000	
Interest on income-tax refund	₹ 5,600	
Income chargeable under the head "Income from other sources"		**₹ 1,33,000**
GROSS TOTAL INCOME [section 122(10)]		**₹ 26,90,800**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 2,52,000, LIC premium ₹ 30,000; restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance and medical expenditure — self and family ₹ 18,000; parents ₹ 50,000; Working note C [section 126]	₹ 68,000	
Treatment of a specified disease of her son, wholly dependent on her — ₹ 36,000 spent; ceiling ₹ 40,000 [section 128]	₹ 36,000	
Interest on savings account — ₹ 9,400; ceiling ₹ 10,000 [section 153]	₹ 9,400	
Donations — ₹ 15,000 in full; one-half of ₹ 40,000; the ₹ 5,000 in cash gets nothing; Working note D [section 133]	₹ 35,000	
Total of the deductions allowed		**₹ 2,98,400**
TOTAL INCOME, rounded off to the nearest multiple of ten rupees [section 516]		**₹ 23,92,400**
TAX ON THE TOTAL INCOME		
On the first ₹ 2,50,000 — Nil [Paragraph A, Part I-B, First Schedule, 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 ₹ 13,92,400 — 30 per cent	₹ 4,17,720	
Tax payable on the total income		**₹ 5,30,220**
Less: rebate — nil, total income above ₹ 5,00,000 [section 156]		₹ 0
Add: health and education cess at four per cent [section 2, Finance Act, 2026]		₹ 21,209
TOTAL TAX AND CESS		**₹ 5,51,429**
TOTAL TAX, rounded off [section 516]		**₹ 5,51,430**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Awadh University) [section 392]	₹ 3,95,000	
Less: TDS — FD interest (Bank of India) [section 393(1), Table Sl. No. 5(ii)]	₹ 11,800	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 25,000	
Total taxes paid		**₹ 4,31,800**

Advocate Dr. S. B. Rathore

AMOUNT PAYABLE, rounded off [section 266]		₹ 1,19,630

The figures to check

Total income ₹ 23,92,400 · Total tax ₹ 5,51,430 · Amount payable ₹ 1,19,630

The new regime saves her ₹ 1,32,160 — ₹ 4,19,270 against ₹ 5,51,430 under the old regime.

Working notes

Working note A — house rent allowance [Schedule III, Table Sl. No. 11; Rule 279] (old regime only)

Particulars	Amount
Salary for the purpose — basic salary and the dearness allowance that enters retirement benefits [Rule 279(2)(b)]	₹ 21,00,000
(a) The allowance actually received [Rule 279(1)(a)]	₹ 3,60,000
(b) Rent paid ₹ 2,88,000, less one-tenth of the salary ₹ 2,10,000 [Rule 279(1)(b)]	₹ 78,000
(c) 40 per cent of the salary — Lucknow is not one of the eight places [Rule 279(1)(c)]	₹ 8,40,000
Exempt — the least of (a), (b) and (c)	**₹ 78,000**
Taxable — the rest of the allowance	₹ 2,82,000

Under the new regime nothing of the house rent allowance is exempt [section 202(2)(a)(i)].

Working note C — health insurance [section 126] (old regime only)

Payment for	Paid	Limit and rule
herself and her husband	₹ 18,000	Self and family — ₹ 25,000 [section 126(2)(a)]
her mother, aged 80	₹ 47,000	Parents — ₹ 50,000 [section 126(2)(b), with (8)(a)]
her mother — preventive check-up	₹ 5,000	Preventive check-up — up to ₹ 5,000 in aggregate, inside the limits of this section; cash allowed [section 126(3) and (9)(a)]
Allowed — self and family ₹ 18,000; parents ₹ 50,000		**₹ 68,000**

A parent here is a senior citizen, so the parents' limit is ₹ 50,000 — the insurance, the check-up and any medical expenditure on them together [section 126(4) and (8)(a)].

Working note D — donations [section 133] (old regime only)

Particulars	Amount
Gross total income, less the other Chapter VIII deductions — the adjusted gross total income [section 133(7)(a)]	₹ 24,27,400
Qualifying limit — ten per cent of it [section 133(2)]	₹ 2,42,740
Donations subject to the limit — Saksham Trust (approved) ₹ 40,000 by cheque (cash above ₹ 2,000 excluded)	₹ 40,000
Not allowed — Saksham Trust (approved) ₹ 5,000 in cash, being above ₹ 2,000 [section 133(5)]	—
The lower of the two	₹ 40,000
Fifty per cent of it	₹ 20,000
Add: donations allowed in full, with no qualifying limit [section 133(1)(a)]	₹ 15,000
Deduction under section 133	**₹ 35,000**

Section 133 is worked last, because its limit rests on what is left after every other deduction of the Chapter.

Advocate Dr. S. B. Rathore

CASE 13.25 · Arjun Nair · Kochi

SOLUTION (a) NEW REGIME

The option of section 202(4) is not exercised, so income-tax is computed under section 202(1), the default regime. Tax year 2026-27: 1 April 2026 to 31 March 2027. Interest under sections 423 to 425 is not computed; the return is furnished within the due date of 31 July 2027.

INCOME FROM SALARIES		
Basic salary (₹ 95,000 a month)	₹ 11,40,000	
Dearness allowance (₹ 19,000 a month) — the whole of it enters retirement benefits	₹ 2,28,000	
Children education allowance (₹ 6,000 a month — two children)	₹ 72,000	
Hostel expenditure allowance (₹ 12,000 a month — both children, in a hostel)	₹ 1,44,000	
Uniform allowance (₹ 2,000 a month) — the whole spent on the uniform	₹ 24,000	
Special allowance	₹ 1,20,000	
Employer's contribution to NPS — ten per cent of basic salary and dearness allowance	₹ 1,36,800	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 18,64,800	
Less: children education, hostel and uniform allowances — not exempt under this regime [section 202(2)(a)(ii)]	₹ 0	
Net salary	₹ 18,64,800	
Less: standard deduction — ₹ 75,000, or the salary, whichever is less [section 19(1), Table Sl. No. 2]	₹ 75,000	
Less: tax on employment ₹ 2,500 — not deductible under this regime [section 202(2)(a)(iv)]	₹ 0	
Income chargeable under the head "Salaries"		**₹ 17,89,800**
INCOME FROM HOUSE PROPERTY		
Property 1 — Kochi — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on borrowed capital — nil, there is no loan	₹ 0	
Income from property 1	₹ 0	
Property 2 — Thrissur — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 2,40,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 6,000	
Annual value	₹ 2,34,000	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 70,200	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 1,20,000	
Income from property 2	₹ 43,800	
Income chargeable under the head "Income from house property"		**₹ 43,800**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Federal Bank [section 92]	₹ 10,900	
Interest on fixed deposits — Federal Bank, in the gross amount	₹ 66,000	
Sums of money received without consideration from persons who are not relatives — ₹ 45,000 in all, not above ₹ 50,000, so nothing is income; Working note B [section 92(2)(m)(i)]	₹ 0	
The ₹ 1,00,000 from his wife's brother — a relative, so not income [section 92(3)(a)]	₹ 0	
Income chargeable under the head "Income from other sources"		**₹ 76,900**
GROSS TOTAL INCOME [section 122(10)]		**₹ 19,10,500**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Employer's contribution to the pension scheme — ₹ 1,36,800, within 14 per cent of the salary of ₹ 13,68,000 (₹ 1,91,520) [section 124(1) and (2)]	₹ 1,36,800	
Nothing else in this Chapter is allowed under this regime — the claims under section 123, 126, 129, 137, 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 1,36,800**
TOTAL INCOME, rounded off to the nearest multiple of ten rupees [section 516]		**₹ 17,73,700**
TAX ON THE TOTAL INCOME		
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 ₹ 1,73,700 — 20 per cent	₹ 34,740	
Tax payable on the total income		**₹ 1,54,740**
Less: rebate — nil, total income above ₹ 12,00,000 [section 156]		₹ 0
Add: health and education cess at four per cent [section 2, Finance Act, 2026]		₹ 6,190
TOTAL TAX AND CESS		**₹ 1,60,930**
TOTAL TAX, rounded off [section 516]		**₹ 1,60,930**

Advocate Dr. S. B. Rathore

TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Malabar Shipping Limited) [section 392]	₹ 1,35,300	
Less: TDS — FD interest (Federal Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 6,600	
Less: advance tax paid on 15/12/2026 [sections 404 to 408]	₹ 15,000	
Total taxes paid		**₹ 1,56,900**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 4,030**

The figures to check

Total income ₹ 17,73,700 · Total tax ₹ 1,60,930 · Amount payable ₹ 4,030

CASE 13.25 · Arjun Nair · Kochi

SOLUTION (b) OLD REGIME

The option of section 202(4) is 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. Tax year 2026-27: 1 April 2026 to 31 March 2027. Interest under sections 423 to 425 is not computed; the return is furnished within the due date of 31 July 2027.

INCOME FROM SALARIES		
Basic salary (₹ 95,000 a month)	₹ 11,40,000	
Dearness allowance (₹ 19,000 a month) — the whole of it enters retirement benefits	₹ 2,28,000	
Children education allowance (₹ 6,000 a month — two children)	₹ 72,000	
Hostel expenditure allowance (₹ 12,000 a month — both children, in a hostel)	₹ 1,44,000	
Uniform allowance (₹ 2,000 a month) — the whole spent on the uniform	₹ 24,000	
Special allowance	₹ 1,20,000	
Employer's contribution to NPS — ten per cent of basic salary and dearness allowance	₹ 1,36,800	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 18,64,800	
Less: children education allowance — ₹ 3,000 a month for each of his two children [Schedule III, Table Sl. No. 13; Rule 280(2), Sl. No. 7]	₹ 72,000	
Less: hostel expenditure allowance — ₹ 9,000 a month for each child in a hostel (two children) [Schedule III, Table Sl. No. 13; Rule 280(2), Sl. No. 8]	₹ 1,44,000	
Less: uniform allowance — the ₹ 24,000 spent on the uniform [Schedule III, Table Sl. No. 12; Rule 280(1)(g)]	₹ 24,000	
Net salary	₹ 16,24,800	
Less: standard deduction — ₹ 50,000, or the salary, whichever is less [section 19(1), Table Sl. No. 2]	₹ 50,000	
Less: tax on employment [section 19(1), Table Sl. No. 1]	₹ 2,500	
Income chargeable under the head "Salaries"		**₹ 15,72,300**
INCOME FROM HOUSE PROPERTY		
Property 1 — Kochi — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on borrowed capital — nil, there is no loan	₹ 0	
Income from property 1	₹ 0	
Property 2 — Thrissur — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 2,40,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 6,000	
Annual value	₹ 2,34,000	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 70,200	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 1,20,000	
Income from property 2	₹ 43,800	
Income chargeable under the head "Income from house property"		**₹ 43,800**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Federal Bank [section 92]	₹ 10,900	
Interest on fixed deposits — Federal Bank, in the gross amount	₹ 66,000	
Sums of money received without consideration from persons who are not relatives — ₹ 45,000 in all, not above ₹ 50,000, so nothing is income; Working note B [section 92(2)(m)(i)]	₹ 0	
The ₹ 1,00,000 from his wife's brother — a relative, so not income [section 92(3)(a)]	₹ 0	
Income chargeable under the head "Income from other sources"		**₹ 76,900**
GROSS TOTAL INCOME [section 122(10)]		**₹ 16,93,000**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Employer's contribution to the pension scheme — ₹ 1,36,800, within 10 per cent of the salary of ₹ 13,68,000 (₹ 1,36,800) [section 124(1) and (2)]	₹ 1,36,800	
Payments of Schedule XV — provident fund ₹ 1,64,160, LIC premium ₹ 20,000; restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance and medical expenditure — self and family ₹ 23,000; Working note C [section 126]	₹ 23,000	

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Interest on education loans — interest on the loan for his own executive M.B.A. [section 129]	₹ 72,000	
Contribution to Kerala Jana Party otherwise than in cash; the ₹ 15,000 paid in cash gets nothing [section 137]	₹ 0	
Interest on savings account — ₹ 10,900; ceiling ₹ 10,000 [section 153]	₹ 10,000	
Total of the deductions allowed		**₹ 3,91,800**
TOTAL INCOME, rounded off to the nearest multiple of ten rupees [section 516]		**₹ 13,01,200**
TAX ON THE TOTAL INCOME		
On the first ₹ 2,50,000 — Nil [Paragraph A, Part I-B, First Schedule, 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 ₹ 3,01,200 — 30 per cent	₹ 90,360	
Tax payable on the total income		**₹ 2,02,860**
Less: rebate — nil, total income above ₹ 5,00,000 [section 156]		₹ 0
Add: health and education cess at four per cent [section 2, Finance Act, 2026]		₹ 8,114
TOTAL TAX AND CESS		**₹ 2,10,974**
TOTAL TAX, rounded off [section 516]		**₹ 2,10,970**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Malabar Shipping Limited) [section 392]	₹ 1,35,300	
Less: TDS — FD interest (Federal Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 6,600	
Less: advance tax paid on 15/12/2026 [sections 404 to 408]	₹ 15,000	
Total taxes paid		**₹ 1,56,900**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 54,070**

The figures to check

Total income ₹ 13,01,200 · Total tax ₹ 2,10,970 · Amount payable ₹ 54,070

The new regime saves him ₹ 50,040 — ₹ 1,60,930 against ₹ 2,10,970 under the old regime.

Working notes

Working note B — the gifts of money [section 92(2)(m)(i)] (both regimes)

From	Who	A relative?	Amount
Sunil Menon	his wife's brother	Yes — not income	₹ 1,00,000
Ravi Pillai	a neighbour	No	₹ 45,000

The test is the total received in the year from persons who are not relatives, leaving out gifts received on marriage: ₹ 45,000, which does not exceed ₹ 50,000 — so none of it is income. A birthday is not an occasion the Act recognises.

Working note C — health insurance [section 126] (old regime only)

Payment for	Paid	Limit and rule
himself, his wife and children	₹ 23,000	Self and family — ₹ 25,000 [section 126(2)(a)]
Allowed — self and family ₹ 23,000; parents ₹ 0		**₹ 23,000**

Advocate Dr. S. B. Rathore