FORM ITR-1 SAHAJ — PRACTICE CASES 13.6 TO 13.46

Solutions · Tax Year 2026-27 · Income-tax Act, 2025 · DSC-5.1 Income Tax Law and Practice

Advocate Dr. S. B. Rathore · www.taxclasses.in

Every case is worked in full twice — **(a)** under the old regime, the option of section 202(4) being exercised, and then **(b)** under the new regime of section 202(1) — with working notes where a computation needs one. Each solution ends with "the figures to check": total income, total tax and the amount payable or refundable. The answers at a glance follow the index.

INDEX OF CASES

Case No.	Name of the assessee	Age	Salary / Pension	Allowances and perquisites	House property	Other sources	LTCG on shares	Deductions under sections	Page No.
13.6	Priya Venkataraman	30	Salary	HRA, Special	Let out	SB intt, FD intt, Dividend	Yes	123, 126, 153	4
13.7	Harpreet Singh Gill	45	Salary	No	SOP + Let out	SB intt, FD intt, Dividend	Yes	123, 126, 153	6
13.8	Kamala Devi Joshi	66	Pension	No	SOP	SB intt, FD intt, SCSS intt	Yes	123, 126, 153	10
13.9	Rohit Kumar Mishra	34	Salary	No	SOP	SB intt, FD intt	Yes	123, 126, 153	12
13.10	Fatima Shaikh	52	Salary	No	SOP + Let out	SB intt, FD intt	Yes	123, 126, 153	14
13.11	K. Srinivasa Rao	61	Salary	No	SOP + Let out	SB intt, FD intt, Dividend	Yes	123, 126, 153	17
13.12	Anjali Sharma	38	Salary	HRA, Special, Conveyance	Let out	SB intt, FD intt, Dividend	Yes	123, 126, 153	19
13.13	Debashish Chatterjee	57	Salary	No	SOP	SB intt, FD intt, IT refund intt	Yes	123, 126, 128, 153	21
13.14	Meenakshi Sundaram	81	Pension	No	SOP	Family pension, SB intt, FD intt	Yes	126, 128, 153	23
13.15	Amit Patel	41	Salary	HRA, Special	Let out	SB intt, FD intt, Dividend	Yes	123, 126, 153	25
13.16	Karan Mehra	43	Salary	DA, HRA, CEA, Conveyance, Medical	Let out	SB intt, FD intt, Dividend, Gifts	Yes	123, 126, 133, 137, 153	28
13.17	Sneha Kulkarni	37	Salary	DA, CEA, Hostel, Uniform, Special, Employer's NPS	SOP + Let out	SB intt, FD intt, IT refund intt	Yes	123, 124, 126, 129, 153	32
13.18	Imran Qureshi	36	Salary	DA, HRA, Medical	SOP	SB intt, FD intt, Gifts	Yes	123, 126, 133, 153	36
13.19	Pooja Agarwal	30	Salary	HRA, Special	Let out	SB intt, FD intt	Yes	123, 126, 129, 133, 153	40
13.20	Vikram Sethi	48	Salary	DA, HRA, CEA, Transport, Employer's NPS	Let out	SB intt, Dividend	Yes	123, 124, 126, 137, 153	43
13.21	Anita Desai	48	Salary	DA, HRA, CEA, Special	Let out	Family pension, SB intt, FD intt, Gifts	Yes	123, 126, 129, 153	47
13.22	Rahul Bhatia	46	Salary	DA, Special, Conveyance, Employer's NPS	SOP + Let out	SB intt, FD intt, Dividend	Yes	123, 124, 126, 128, 153	51
13.23	Deepak Rao	40	Salary	HRA, Special	SOP	SB intt, FD intt	Yes	123, 126, 129, 137, 153	55

Advocate Dr. S. B. Rathore

Case No.	Name of the assessee	Age	Salary / Pension	Allowances and perquisites	House property	Other sources	LTCG on shares	Deductions under sections	Page No.
13.24	Meera Joshi	51	Salary	DA, HRA	Let out	SB intt, FD intt, IT refund intt	Yes	123, 126, 128, 133, 153	58
13.25	Arjun Nair	44	Salary	DA, CEA, Hostel, Uniform, Special, Employer's NPS	SOP + Let out	SB intt, FD intt, Gifts	Yes	123, 124, 126, 129, 137, 153	62
13.26	Manish Kumar Jain	32	Salary	DA, HRA	SOP + Let out	SB intt, FD intt, Dividend	Yes	123, 126, 153	66
13.27	Jaya Arora	45	Salary	DA, CEA	SOP + Let out	SB intt, FD intt, IT refund intt	Yes	123, 126, 153	70
13.28	Amit Kumar Verma	34	Salary	DA, CEA	SOP + Let out	SB intt, FD intt, Dividend	Yes	123, 126, 153	74
13.29	Tina Gupta	30	Salary	DA, HRA	SOP + Let out	SB intt, FD intt, IT refund intt	Yes	123, 126, 153	78
13.30	Mohd Sajid	38	Salary	HRA, CEA, Perquisites	Let out	FD intt, Dividend, IT refund intt, Gifts	Yes	123, 126	82
13.31	Neha Bansal	35	Salary	DA, HRA	Let out	SB intt, FD intt, Dividend	Yes	123, 126, 153	86
13.32	Ravi Kumar Verma	35	Salary	DA, CEA, HRA, Perquisites	SOP	SB intt, FD intt	Yes	123, 126, 153	89
13.33	Sunita Sharma	44	Salary	Medical, Uniform, Special, Perquisites	Let out	SB intt, FD intt	Yes	123, 126, 153	91
13.34	Amit Khanna	33	Salary	HRA, Conveyance, Special, Perquisites	Let out	SB intt, FD intt	Yes	123, 126, 153	93
13.35	Om Prakash Gupta	61	Salary	DA, HRA, Helper, Perquisites	Let out	SB intt, FD intt, SCSS intt	Yes	123, 126, 153	96
13.36	Megha Bansal	40	Salary	CEA, HRA, Special, Perquisites	SOP	SB intt, FD intt	Yes	123, 126, 153	99
13.37	Rahul Deshmukh	38	Salary	DA, Conveyance, Overtime, Perquisites	Let out	SB intt, FD intt, Gifts	Yes	123, 126, 153	101
13.38	Kavita Malhotra	47	Salary	Medical, CEA, HRA, Perquisites	Let out	Family pension, SB intt, FD intt	Yes	123, 126, 153	105
13.39	Mahesh Kumar Malhotra	42	Salary	DA, HRA	SOP + Let out	SB intt, FD intt, Dividend	Yes	123, 126, 153	109
13.40	Som Nath Arora	35	Salary	DA, CEA	SOP + Let out	SB intt, FD intt, Dividend	Yes	123, 126, 153	113
13.41	Rajesh Sharma	58	Salary	DA, Uniform	SOP + Let out	SB intt, FD intt, IT refund intt	Yes	123, 126, 153	117
13.42	Pooja Malik	45	Salary	DA, HRA	SOP + Let out	SB intt, FD intt, IT refund intt	Yes	123, 126, 153	121
13.43	Beena Saxena	48	Salary	DA, HRA	SOP + Let out	SB intt, FD intt, Dividend	Yes	123, 126, 153	125
13.44	Suraj Singh	37	Salary	DA, CEA	SOP + Let out	SB intt, FD intt, Dividend	Yes	123, 126, 153	129
13.45	Shweta Kumari Grover	50	Salary	DA, Uniform	SOP + Let out	SB intt, FD intt, IT refund intt	Yes	123, 126, 153	133
13.46	Neha Kumari Jain	39	Salary	DA, HRA	SOP + Let out	SB intt, FD intt, IT refund intt	Yes	123, 126, 153	137

Age is in completed years on 31 March 2027. SOP = self-occupied property; SB intt = savings bank interest; FD intt = interest on fixed deposits; SCSS = Senior Citizens' Savings Scheme; IT refund intt = interest on income-tax refund; HRA = house rent allowance; CEA = children education allowance; DA = dearness allowance; NPS = National Pension System; LTCG = long-term capital gains on listed equity shares.

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ANSWERS AT A GLANCE

Case No.	Name of the assessee	(a) Old regime				(b) New regime				Page No.
		Gross total income	Total income	Total tax	Payable / (Refund)	Gross total income	Total income	Total tax	Payable / (Refund)	
13.6	Priya Venkataraman	16,32,020	14,57,120	2,37,310	85,110	18,73,520	18,73,520	1,66,820	14,620	4
13.7	Harpreet Singh Gill	22,66,100	20,45,100	4,13,310	1,20,210	24,08,500	24,08,500	2,89,410	(3,690)	6
13.8	Kamala Devi Joshi	10,15,500	8,03,500	61,570	28,570	9,90,500	9,90,500	0	(33,000)	10
13.9	Rohit Kumar Mishra	11,84,200	9,92,200	1,05,980	64,380	12,85,200	12,85,200	68,640	27,040	12
13.10	Fatima Shaikh	17,93,580	15,58,580	2,62,570	79,230	19,71,080	19,71,080	1,82,850	(490)	14
13.11	K. Srinivasa Rao	31,37,000	28,51,000	6,55,410	1,54,130	31,14,400	31,14,400	4,98,390	(2,890)	17
13.12	Anjali Sharma	11,00,960	9,23,460	88,270	87,070	12,31,960	12,31,960	33,240	32,040	19
13.13	Debashish Chatterjee	19,68,300	17,46,300	3,22,170	1,21,030	20,55,700	20,55,700	2,01,140	Nil	21
13.14	Meenakshi Sundaram	11,19,000	9,21,000	72,590	48,590	10,84,000	10,84,000	0	(24,000)	23
13.15	Amit Patel	21,11,760	18,81,760	3,66,280	77,380	24,01,160	24,01,160	2,90,770	1,870	25
13.16	Karan Mehra	23,71,100	20,90,100	4,31,060	23,360	28,09,300	28,09,300	4,13,650	5,950	28
13.17	Sneha Kulkarni	18,25,600	14,09,800	2,27,170	26,200	21,68,100	20,22,900	2,00,970	Nil	32
13.18	Imran Qureshi	18,14,800	15,35,800	2,62,210	41,210	21,55,200	21,55,200	2,30,050	9,050	36
13.19	Pooja Agarwal	13,77,300	10,93,750	1,32,770	30,000	15,20,300	15,20,300	1,05,630	2,860	40
13.20	Vikram Sethi	26,11,740	21,55,460	4,43,810	1,13,610	27,77,160	25,78,080	3,33,870	3,670	43
13.21	Anita Desai	17,49,340	14,80,340	2,43,930	65,760	19,50,740	19,50,740	1,82,470	4,300	47
13.22	Rahul Bhatia	26,55,200	21,94,000	4,60,080	1,29,880	27,52,600	25,65,400	3,34,150	3,950	51
13.23	Deepak Rao	24,26,800	21,70,800	4,43,600	7,400	29,74,300	29,74,300	4,52,490	16,290	55
13.24	Meera Joshi	27,99,800	25,01,400	5,51,430	1,19,630	28,52,800	28,52,800	4,19,270	(12,530)	58
13.25	Arjun Nair	17,55,200	13,63,400	2,10,970	54,070	19,72,700	18,35,900	1,60,930	4,030	62
13.26	Manish Kumar Jain	24,76,020	22,55,720	4,78,120	3,550	27,80,060	27,80,060	3,99,910	(74,660)	66
13.27	Jaya Arora	23,51,960	21,54,860	4,54,140	Nil	25,30,160	25,30,160	3,29,430	(1,24,710)	70
13.28	Amit Kumar Verma	24,08,190	21,81,690	4,66,190	Nil	26,36,190	26,36,190	3,66,190	(1,00,000)	74
13.29	Tina Gupta	26,84,300	24,60,500	5,40,480	Nil	28,51,500	28,51,500	4,20,670	(1,19,810)	78
13.30	Mohd Sajid	14,64,600	12,42,200	1,70,230	2,330	16,73,600	16,73,600	1,25,220	(42,680)	82
13.31	Neha Bansal	12,42,920	10,39,320	1,15,090	3,090	14,26,240	14,26,240	90,130	(21,870)	86
13.32	Ravi Kumar Verma	13,65,300	11,83,300	1,48,200	45,840	15,72,300	15,72,300	1,07,480	5,120	89
13.33	Sunita Sharma	12,88,600	11,11,100	1,32,070	75,870	12,83,600	12,83,600	65,650	9,450	91
13.34	Amit Khanna	12,47,280	10,74,280	1,23,200	39,020	14,14,280	14,14,280	87,340	3,160	93
13.35	Om Prakash Gupta	11,73,280	9,85,280	88,670	72,670	12,56,280	12,56,280	56,920	40,920	96
13.36	Megha Bansal	15,19,500	12,90,500	1,80,340	48,500	17,66,500	17,66,500	1,41,230	9,390	99
13.37	Rahul Deshmukh	14,91,400	13,11,400	1,91,100	56,710	14,68,900	14,68,900	92,820	(41,570)	101
13.38	Kavita Malhotra	12,00,420	10,24,920	1,10,660	35,060	13,27,420	13,27,420	73,640	(1,960)	105
13.39	Mahesh Kumar Malhotra	23,40,680	21,26,380	4,41,440	2,990	26,16,020	26,16,020	3,52,410	(86,040)	109
13.40	Som Nath Arora	22,48,940	20,65,940	4,30,040	Nil	24,14,340	24,14,340	2,99,450	(1,30,590)	113
13.41	Rajesh Sharma	24,64,880	22,44,780	4,81,750	(4,950)	24,69,780	24,69,780	3,10,460	(1,76,240)	117
13.42	Pooja Malik	24,04,980	21,83,580	4,53,640	Nil	25,70,880	25,70,880	3,32,680	(1,20,960)	121
13.43	Beena Saxena	22,68,500	20,45,000	4,21,670	5,980	27,33,080	27,33,080	3,94,550	(21,140)	125
13.44	Suraj Singh	25,06,780	22,96,680	5,03,660	Nil	27,23,380	27,23,380	3,94,990	(1,08,670)	129
13.45	Shweta Kumari Grover	23,45,830	21,50,530	4,47,070	(1,970)	23,53,330	23,53,330	2,75,790	(1,73,250)	133
13.46	Neha Kumari Jain	25,31,450	23,13,350	4,96,880	Nil	27,05,250	27,05,250	3,77,350	(1,19,530)	137

Figures in rupees. Total income is rounded off to the nearest ten rupees [section 516]; total tax includes the health and education cess at four per cent. A figure in brackets is a refund due; "Nil" means the taxes paid equal the tax.

Advocate Dr. S. B. Rathore

CASE 13.6 · Ms. Priya Venkataraman · Bengaluru

SOLUTION (a) 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	₹ 9,60,000	
House rent allowance	₹ 3,84,000	
Special allowance	₹ 4,56,000	
Salary for the year, in the gross amount [section 15]	₹ 18,00,000	
Less: house rent allowance exempt — least of: received ₹ 3,84,000; rent ₹ 3,60,000 less 10% of salary ₹ 96,000 = ₹ 2,64,000; 50% of salary ₹ 4,80,000 (Bengaluru — one of the eight 50% cities) [Schedule III, Table Sl. No. 11; Rule 279]	₹ 2,64,000	
Net salary	₹ 15,36,000	
Less: standard deduction [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"		**₹ 14,83,500**
INCOME FROM HOUSE PROPERTY		
Mysore — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 1,92,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 5,400	
Annual value	₹ 1,86,600	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 55,980	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 1,08,000	
Income from the property	₹ 22,620	
Income chargeable under the head "Income from house property"		**₹ 22,620**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account [section 92]	₹ 8,400	
Interest on fixed deposits with Canara Bank, in the gross amount	₹ 32,000	
Dividend on listed equity shares of Kaveri Power Limited, in the gross amount	₹ 14,000	
Income chargeable under the head "Income from other sources"		**₹ 54,400**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Kaveri Fintech Limited sold on 18/09/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,64,000	
Less: cost of acquisition (acquired in June 2024)	₹ 1,92,500	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 71,500
GROSS TOTAL INCOME [section 122(10)]		**₹ 16,32,020**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — ₹ 2,08,800 paid, including the housing loan principal of ₹ 55,600; ceiling ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance — herself: ₹ 16,500 paid; ceiling ₹ 25,000 [section 126]	₹ 16,500	
Interest on a savings account — ₹ 8,400; ceiling ₹ 10,000 [section 153]	₹ 8,400	
Total of the deductions allowed		**₹ 1,74,900**
TOTAL INCOME, rounded off [section 516]		**₹ 14,57,120**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 71,500 [section 198(2)(b)]	₹ 13,85,620	
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 ₹ 3,85,620 — 30 per cent	₹ 1,15,686	
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		**₹ 2,28,186**
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]		₹ 9,127
TOTAL TAX AND CESS		**₹ 2,37,313**
TOTAL TAX, rounded off [section 516]		**₹ 2,37,310**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Nilgiri Softech Private Limited) [section 392]	₹ 1,50,800	
Less: TDS — dividend (Kaveri Power Limited) [section 393(1), Table Sl. No. 7]	₹ 1,400	
Total taxes paid		**₹ 1,52,200**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 85,110**

The figures to check

Total income ₹ 14,57,120 · Total tax ₹ 2,37,310 · Amount payable ₹ 85,110

Advocate Dr. S. B. Rathore

CASE 13.6 · Ms. Priya Venkataraman · Bengaluru

SOLUTION (b) 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	₹ 9,60,000	
House rent allowance	₹ 3,84,000	
Special allowance	₹ 4,56,000	
Salary for the year, in the gross amount [section 15]	₹ 18,00,000	
Less: house rent allowance — not exempt under this regime [section 202(2)(a)(i)]	₹ 0	
Net salary	₹ 18,00,000	
Less: standard deduction [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"		**₹ 17,25,000**
INCOME FROM HOUSE PROPERTY		
Mysore — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 1,92,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 5,400	
Annual value	₹ 1,86,600	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 55,980	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 1,08,000	
Income from the property	₹ 22,620	
Income chargeable under the head "Income from house property"		**₹ 22,620**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account [section 92]	₹ 8,400	
Interest on fixed deposits with Canara Bank, in the gross amount	₹ 32,000	
Dividend on listed equity shares of Kaveri Power Limited, in the gross amount	₹ 14,000	
Income chargeable under the head "Income from other sources"		**₹ 54,400**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Kaveri Fintech Limited sold on 18/09/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,64,000	
Less: cost of acquisition (acquired in June 2024)	₹ 1,92,500	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 71,500
GROSS TOTAL INCOME [section 122(10)]		**₹ 18,73,520**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 18,73,520**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 71,500 [section 198(2)(b)]	₹ 18,02,020	
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 balance of ₹ 2,02,020 — 20 per cent	₹ 40,404	
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		**₹ 1,60,404**
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]		₹ 6,416
TOTAL TAX AND CESS		**₹ 1,66,820**
TOTAL TAX, rounded off [section 516]		**₹ 1,66,820**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Nilgiri Softech Private Limited) [section 392]	₹ 1,50,800	
Less: TDS — dividend (Kaveri Power Limited) [section 393(1), Table Sl. No. 7]	₹ 1,400	
Total taxes paid		**₹ 1,52,200**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 14,620**

The figures to check

Total income ₹ 18,73,520 · Total tax ₹ 1,66,820 · Amount payable ₹ 14,620

The new regime saves her ₹ 70,490 — ₹ 1,66,820 against ₹ 2,37,310 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.7 · Shri Harpreet Singh Gill · Ludhiana

SOLUTION (a) 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		
Salary for the year, in the gross amount [section 15]	₹ 22,40,000	
Less: standard deduction [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"		**₹ 21,87,600**
INCOME FROM HOUSE PROPERTY		
Property 1 — Sector 32-A, Ludhiana — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,65,000 — within the ceiling of ₹ 2,00,000 [section 22(1)(b)]	₹ 1,65,000	
Income from property 1		(₹ 1,65,000)
Property 2 — Sector 70, Mohali — let out		
Gross rent for the year — ₹ 25,000 a month [section 21(1)]	₹ 3,00,000	
Less: taxes paid to the local authority [section 21(7)(b)]	₹ 12,000	
Annual value	₹ 2,88,000	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 86,400	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 1,40,000	
Income from property 2		₹ 61,600
Total of the two properties		(₹ 1,03,400)
Loss set off against the other heads — within ₹ 2,00,000 [section 109(1)(b)]		
Income chargeable under the head "Income from house property"		**(₹ 1,03,400)**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account [section 92]	₹ 14,500	
Interest on fixed deposits with Punjab National Bank, in the gross amount	₹ 60,000	
Dividend on listed equity shares of Doaba Agro Industries Limited, in the gross amount	₹ 12,000	
Income chargeable under the head "Income from other sources"		**₹ 86,500**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Satluj Agro Foods Limited sold on 12/11/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 3,18,000	
Less: cost of acquisition (acquired in March 2023)	₹ 2,22,600	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 95,400
GROSS TOTAL INCOME [section 122(10)]		**₹ 22,66,100**

Advocate Dr. S. B. Rathore

CASE 13.7 · Shri Harpreet Singh Gill · SOLUTION (a) OLD REGIME, continued

DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — ₹ 4,49,800 paid, including the housing loan principal of ₹ 2,95,800 on the two loans; ceiling ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance — self and family: ₹ 23,000 paid; ceiling ₹ 25,000 [section 126]	₹ 23,000	
Health insurance — father: ₹ 38,000 paid; ceiling ₹ 50,000, senior citizen [section 126]	₹ 38,000	
Interest on a savings account — ₹ 14,500; ceiling ₹ 10,000 [section 153]	₹ 10,000	
Total of the deductions allowed		**₹ 2,21,000**
TOTAL INCOME, rounded off [section 516]		**₹ 20,45,100**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 95,400 [section 198(2)(b)]	₹ 19,49,700	
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 ₹ 9,49,700 — 30 per cent	₹ 2,84,910	
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		**₹ 3,97,410**
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]		₹ 15,896
TOTAL TAX AND CESS		**₹ 4,13,306**
TOTAL TAX, rounded off [section 516]		**₹ 4,13,310**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: advance tax — 15 December 2026, Challan No. 03417 [sections 404 to 408]	₹ 15,000	
Less: advance tax — 15 March 2027, Challan No. 05128 [sections 404 to 408]	₹ 20,000	
Less: TDS — salary (Satluj Valley Bank Limited) [section 392]	₹ 2,50,900	
Less: TDS — interest on his fixed deposits (Punjab National Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 6,000	
Less: TDS — dividend (Doaba Agro Industries Limited) [section 393(1), Table Sl. No. 7]	₹ 1,200	
Total taxes paid		**₹ 2,93,100**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 1,20,210**

The figures to check

Total income ₹ 20,45,100 · Total tax ₹ 4,13,310 · Amount payable ₹ 1,20,210

Advocate Dr. S. B. Rathore

CASE 13.7 · Shri Harpreet Singh Gill · Ludhiana

SOLUTION (b) 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		
Salary for the year, in the gross amount [section 15]	₹ 22,40,000	
Less: standard deduction [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"		**₹ 21,65,000**
INCOME FROM HOUSE PROPERTY		
Property 1 — Sector 32-A, Ludhiana — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest ₹ 1,65,000 on the home loan — not allowed under this regime [section 202(2)(a)(v)]	₹ 0	
Income from property 1		₹ 0
Property 2 — Sector 70, Mohali — let out		
Gross rent for the year — ₹ 25,000 a month [section 21(1)]	₹ 3,00,000	
Less: taxes paid to the local authority [section 21(7)(b)]	₹ 12,000	
Annual value	₹ 2,88,000	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 86,400	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 1,40,000	
Income from property 2		₹ 61,600
Total of the two properties		₹ 61,600
Income chargeable under the head "Income from house property"		**₹ 61,600**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account [section 92]	₹ 14,500	
Interest on fixed deposits with Punjab National Bank, in the gross amount	₹ 60,000	
Dividend on listed equity shares of Doaba Agro Industries Limited, in the gross amount	₹ 12,000	
Income chargeable under the head "Income from other sources"		**₹ 86,500**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Satluj Agro Foods Limited sold on 12/11/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 3,18,000	
Less: cost of acquisition (acquired in March 2023)	₹ 2,22,600	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 95,400
GROSS TOTAL INCOME [section 122(10)]		**₹ 24,08,500**

Advocate Dr. S. B. Rathore

CASE 13.7 · Shri Harpreet Singh Gill · SOLUTION (b) NEW REGIME, continued

DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 24,08,500**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 95,400 [section 198(2)(b)]	₹ 23,13,100	
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 balance of ₹ 3,13,100 — 25 per cent	₹ 78,275	
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		**₹ 2,78,275**
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]		₹ 11,131
TOTAL TAX AND CESS		**₹ 2,89,406**
TOTAL TAX, rounded off [section 516]		**₹ 2,89,410**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: advance tax — 15 December 2026, Challan No. 03417 [sections 404 to 408]	₹ 15,000	
Less: advance tax — 15 March 2027, Challan No. 05128 [sections 404 to 408]	₹ 20,000	
Less: TDS — salary (Satluj Valley Bank Limited) [section 392]	₹ 2,50,900	
Less: TDS — interest on his fixed deposits (Punjab National Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 6,000	
Less: TDS — dividend (Doaba Agro Industries Limited) [section 393(1), Table Sl. No. 7]	₹ 1,200	
Total taxes paid		**₹ 2,93,100**
REFUND DUE, rounded off [sections 431 and 437]		**₹ 3,690**

The figures to check

Total income ₹ 24,08,500 · Total tax ₹ 2,89,410 · Refund due ₹ 3,690

The new regime saves him ₹ 1,23,900 — ₹ 2,89,410 against ₹ 4,13,310 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.8 · Smt. Kamala Devi Joshi · Jaipur

SOLUTION (a) 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 — the column for a senior citizen, aged sixty years or more. 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		
Pension for the year, in the gross amount [section 15]	₹ 6,60,000	
Less: standard deduction [section 19(1), Table Sl. No. 2]	₹ 50,000	
Income chargeable under the head "Salaries"		**₹ 6,10,000**
INCOME FROM HOUSE PROPERTY		
Malviya Nagar, Jaipur — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Income chargeable under the head "Income from house property"		**₹ 0**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account [section 92]	₹ 18,000	
Interest on fixed deposits with Punjab National Bank, in the gross amount	₹ 2,10,000	
Interest on her account under the Senior Citizens' Savings Scheme, Malviya Nagar Post Office	₹ 1,20,000	
Income chargeable under the head "Income from other sources"		**₹ 3,48,000**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Aravalli Cements Limited sold on 22/06/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 1,96,000	
Less: cost of acquisition (acquired in January 2021)	₹ 1,38,500	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 57,500
GROSS TOTAL INCOME [section 122(10)]		**₹ 10,15,500**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — ₹ 1,20,000 paid; ceiling ₹ 1,50,000 [section 123]	₹ 1,20,000	
Health insurance — herself: ₹ 42,000 paid; ceiling ₹ 50,000, senior citizen [section 126]	₹ 42,000	
Interest on deposits, senior citizen — ₹ 3,48,000; ceiling ₹ 50,000 [section 153]	₹ 50,000	
Total of the deductions allowed		**₹ 2,12,000**
TOTAL INCOME, rounded off [section 516]		**₹ 8,03,500**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 57,500 [section 198(2)(b)]	₹ 7,46,000	
On the first ₹ 3,00,000 — Nil [Paragraph A, Part I-B, First Schedule, Finance Act, 2026]	Nil	
On the next ₹ 2,00,000 — 5 per cent	₹ 10,000	
On the balance of ₹ 2,46,000 — 20 per cent	₹ 49,200	
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		**₹ 59,200**
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]		₹ 2,368
TOTAL TAX AND CESS		**₹ 61,568**
TOTAL TAX, rounded off [section 516]		**₹ 61,570**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — interest on her fixed deposits (Punjab National Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 21,000	
Less: TDS — interest under the senior citizens' savings scheme (Department of Posts, Malviya Nagar Post Office) [section 393(1), Table Sl. No. 5(ii)]	₹ 12,000	
Total taxes paid		**₹ 33,000**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 28,570**

The figures to check

Total income ₹ 8,03,500 · Total tax ₹ 61,570 · Amount payable ₹ 28,570

Advocate Dr. S. B. Rathore

CASE 13.8 · Smt. Kamala Devi Joshi · Jaipur

SOLUTION (b) 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		
Pension for the year, in the gross amount [section 15]	₹ 6,60,000	
Less: standard deduction [section 19(1), Table Sl. No. 2]	₹ 75,000	
Income chargeable under the head "Salaries"		**₹ 5,85,000**
INCOME FROM HOUSE PROPERTY		
Malviya Nagar, Jaipur — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Income chargeable under the head "Income from house property"		**₹ 0**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account [section 92]	₹ 18,000	
Interest on fixed deposits with Punjab National Bank, in the gross amount	₹ 2,10,000	
Interest on her account under the Senior Citizens' Savings Scheme, Malviya Nagar Post Office	₹ 1,20,000	
Income chargeable under the head "Income from other sources"		**₹ 3,48,000**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Aravalli Cements Limited sold on 22/06/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 1,96,000	
Less: cost of acquisition (acquired in January 2021)	₹ 1,38,500	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 57,500
GROSS TOTAL INCOME [section 122(10)]		**₹ 9,90,500**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 9,90,500**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 57,500 [section 198(2)(b)]	₹ 9,33,000	
On the first ₹ 4,00,000 — Nil [section 202(1)]	Nil	
On the next ₹ 4,00,000 — 5 per cent	₹ 20,000	
On the balance of ₹ 1,33,000 — 10 per cent	₹ 13,300	
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		**₹ 33,300**
Less: rebate — the total income does not exceed ₹ 12,00,000 [section 156]		(₹ 33,300)
Tax after rebate		**₹ 0**
Add: health and education cess at four per cent [section 2, Finance Act, 2026]		₹ 0
TOTAL TAX AND CESS		**₹ 0**
TOTAL TAX, rounded off [section 516]		**₹ 0**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — interest on her fixed deposits (Punjab National Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 21,000	
Less: TDS — interest under the senior citizens' savings scheme (Department of Posts, Malviya Nagar Post Office) [section 393(1), Table Sl. No. 5(ii)]	₹ 12,000	
Total taxes paid		**₹ 33,000**
REFUND DUE, rounded off [sections 431 and 437]		**₹ 33,000**

The figures to check

Total income ₹ 9,90,500 · Total tax ₹ 0 · Refund due ₹ 33,000

The new regime saves her ₹ 61,570 — ₹ 0 against ₹ 61,570 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.9 · Shri Rohit Kumar Mishra · Lucknow

SOLUTION (a) 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		
Salary for the year, in the gross amount [section 15]	₹ 12,60,000	
Less: standard deduction [section 19(1), Table Sl. No. 2]	₹ 50,000	
Income chargeable under the head "Salaries"		**₹ 12,10,000**
INCOME FROM HOUSE PROPERTY		
Lucknow — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,26,000 — within the ceiling of ₹ 2,00,000 [section 22(1)(b)]	₹ 1,26,000	
Income from the property	(₹ 1,26,000)	
Loss set off against the other heads — within ₹ 2,00,000 [section 109(1)(b)]		
Income chargeable under the head "Income from house property"		**(₹ 1,26,000)**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account [section 92]	₹ 9,000	
Interest on fixed deposits with Bank of India, in the gross amount	₹ 46,000	
Income chargeable under the head "Income from other sources"		**₹ 55,000**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Gomti Textiles Limited sold on 05/01/2027, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 1,72,000	
Less: cost of acquisition (acquired in August 2024)	₹ 1,26,800	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 45,200
GROSS TOTAL INCOME [section 122(10)]		**₹ 11,84,200**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — ₹ 1,63,700 paid, including the housing loan principal of ₹ 37,700; ceiling ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance — self and family: ₹ 18,000 paid; ceiling ₹ 25,000 [section 126]	₹ 18,000	
Health insurance — parents: ₹ 15,000 paid; ceiling ₹ 25,000 [section 126]	₹ 15,000	
Interest on a savings account — ₹ 9,000; ceiling ₹ 10,000 [section 153]	₹ 9,000	
Total of the deductions allowed		**₹ 1,92,000**
TOTAL INCOME, rounded off [section 516]		**₹ 9,92,200**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 45,200 [section 198(2)(b)]	₹ 9,47,000	
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 balance of ₹ 4,47,000 — 20 per cent	₹ 89,400	
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		**₹ 1,01,900**
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]		₹ 4,076
TOTAL TAX AND CESS		**₹ 1,05,976**
TOTAL TAX, rounded off [section 516]		**₹ 1,05,980**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: self-assessment tax — 22 July 2027, Challan No. 00781 [section 266]	₹ 41,600	
Total taxes paid		**₹ 41,600**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 64,380**

The figures to check

Total income ₹ 9,92,200 · Total tax ₹ 1,05,980 · Amount payable ₹ 64,380

Advocate Dr. S. B. Rathore

CASE 13.9 · Shri Rohit Kumar Mishra · Lucknow

SOLUTION (b) 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		
Salary for the year, in the gross amount [section 15]	₹ 12,60,000	
Less: standard deduction [section 19(1), Table Sl. No. 2]	₹ 75,000	
Income chargeable under the head "Salaries"		**₹ 11,85,000**
INCOME FROM HOUSE PROPERTY		
Lucknow — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,26,000 — not deductible under this regime [section 202(2)(a)(v)]	₹ 0	
Income from the property	₹ 0	
Income chargeable under the head "Income from house property"		**₹ 0**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account [section 92]	₹ 9,000	
Interest on fixed deposits with Bank of India, in the gross amount	₹ 46,000	
Income chargeable under the head "Income from other sources"		**₹ 55,000**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Gomti Textiles Limited sold on 05/01/2027, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 1,72,000	
Less: cost of acquisition (acquired in August 2024)	₹ 1,26,800	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 45,200
GROSS TOTAL INCOME [section 122(10)]		**₹ 12,85,200**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 12,85,200**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 45,200 [section 198(2)(b)]	₹ 12,40,000	
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 balance of ₹ 40,000 — 15 per cent	₹ 6,000	
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		**₹ 66,000**
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]		₹ 2,640
TOTAL TAX AND CESS		**₹ 68,640**
TOTAL TAX, rounded off [section 516]		**₹ 68,640**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: self-assessment tax — 22 July 2027, Challan No. 00781 [section 266]	₹ 41,600	
Total taxes paid		**₹ 41,600**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 27,040**

The figures to check

Total income ₹ 12,85,200 · Total tax ₹ 68,640 · Amount payable ₹ 27,040

The new regime saves him ₹ 37,340 — ₹ 68,640 against ₹ 1,05,980 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.10 · Smt. Fatima Shaikh · Navi Mumbai

SOLUTION (a) 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		
Salary for the year, in the gross amount [section 15]	₹ 16,80,000	
Less: standard deduction [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"		**₹ 16,27,500**
INCOME FROM HOUSE PROPERTY		
Property 1 — Nerul, Navi Mumbai — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 2,35,000 — restricted to the ceiling of ₹ 2,00,000 [section 22(1)(b)]	₹ 2,00,000	
Income from property 1		(₹ 2,00,000)
Property 2 — Baner, Pune — let out		
Gross rent for the year — ₹ 22,000 a month [section 21(1)]	₹ 2,64,000	
Less: taxes paid to the local authority [section 21(7)(b)]	₹ 9,600	
Annual value	₹ 2,54,400	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 76,320	
Income from property 2		₹ 1,78,080
Total of the two properties		(₹ 21,920)
Loss set off against the other heads — within ₹ 2,00,000 [section 109(1)(b)]		
Income chargeable under the head "Income from house property"		**(₹ 21,920)**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account [section 92]	₹ 21,000	
Interest on fixed deposits with Bank of Baroda, in the gross amount	₹ 75,000	
Income chargeable under the head "Income from other sources"		**₹ 96,000**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Konkan Coastal Engineering Limited and Western Ghats Cements Limited sold on 11/11/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 4,10,000	
Less: cost of acquisition (acquired in June 2021)	₹ 3,18,000	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 92,000
GROSS TOTAL INCOME [section 122(10)]		**₹ 17,93,580**

Advocate Dr. S. B. Rathore

CASE 13.10 · Smt. Fatima Shaikh · SOLUTION (a) OLD REGIME, continued

DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — ₹ 2,17,500 paid, including the housing loan principal of ₹ 1,12,500; ceiling ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance — self and family: ₹ 28,000 paid; ceiling ₹ 25,000 [section 126]	₹ 25,000	
Health insurance — mother: ₹ 52,000 paid; ceiling ₹ 50,000, senior citizen [section 126]	₹ 50,000	
Interest on a savings account — ₹ 21,000; ceiling ₹ 10,000 [section 153]	₹ 10,000	
Total of the deductions allowed		**₹ 2,35,000**
TOTAL INCOME, rounded off [section 516]		**₹ 15,58,580**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 92,000 [section 198(2)(b)]	₹ 14,66,580	
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 ₹ 4,66,580 — 30 per cent	₹ 1,39,974	
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		**₹ 2,52,474**
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]		₹ 10,099
TOTAL TAX AND CESS		**₹ 2,62,573**
TOTAL TAX, rounded off [section 516]		**₹ 2,62,570**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: advance tax — 15 September 2026, Challan No. 02218 [sections 404 to 408]	₹ 15,000	
Less: advance tax — 15 December 2026, Challan No. 03974 [sections 404 to 408]	₹ 15,000	
Less: advance tax — 15 March 2027, Challan No. 05561 [sections 404 to 408]	₹ 20,000	
Less: TDS — salary (Sea View Hospital and Research Centre) [section 392]	₹ 1,25,840	
Less: TDS — interest on her fixed deposits (Bank of Baroda) [section 393(1), Table Sl. No. 5(ii)]	₹ 7,500	
Total taxes paid		**₹ 1,83,340**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 79,230**

The figures to check

Total income ₹ 15,58,580 · Total tax ₹ 2,62,570 · Amount payable ₹ 79,230

Advocate Dr. S. B. Rathore

CASE 13.10 · Smt. Fatima Shaikh · Navi Mumbai

SOLUTION (b) 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		
Salary for the year, in the gross amount [section 15]	₹ 16,80,000	
Less: standard deduction [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"		**₹ 16,05,000**
INCOME FROM HOUSE PROPERTY		
Property 1 — Nerul, Navi Mumbai — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest ₹ 2,35,000 on the home loan — not allowed under this regime [section 202(2)(a)(v)]	₹ 0	
Income from property 1		₹ 0
Property 2 — Baner, Pune — let out		
Gross rent for the year — ₹ 22,000 a month [section 21(1)]	₹ 2,64,000	
Less: taxes paid to the local authority [section 21(7)(b)]	₹ 9,600	
Annual value	₹ 2,54,400	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 76,320	
Income from property 2		₹ 1,78,080
Total of the two properties		₹ 1,78,080
Income chargeable under the head "Income from house property"		**₹ 1,78,080**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account [section 92]	₹ 21,000	
Interest on fixed deposits with Bank of Baroda, in the gross amount	₹ 75,000	
Income chargeable under the head "Income from other sources"		**₹ 96,000**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Konkan Coastal Engineering Limited and Western Ghats Cements Limited sold on 11/11/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 4,10,000	
Less: cost of acquisition (acquired in June 2021)	₹ 3,18,000	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 92,000
GROSS TOTAL INCOME [section 122(10)]		**₹ 19,71,080**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 19,71,080**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 92,000 [section 198(2)(b)]	₹ 18,79,080	
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 balance of ₹ 2,79,080 — 20 per cent	₹ 55,816	
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		**₹ 1,75,816**
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]		₹ 7,033
TOTAL TAX AND CESS		**₹ 1,82,849**
TOTAL TAX, rounded off [section 516]		**₹ 1,82,850**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: advance tax — 15 September 2026, Challan No. 02218 [sections 404 to 408]	₹ 15,000	
Less: advance tax — 15 December 2026, Challan No. 03974 [sections 404 to 408]	₹ 15,000	
Less: advance tax — 15 March 2027, Challan No. 05561 [sections 404 to 408]	₹ 20,000	
Less: TDS — salary (Sea View Hospital and Research Centre) [section 392]	₹ 1,25,840	
Less: TDS — interest on her fixed deposits (Bank of Baroda) [section 393(1), Table Sl. No. 5(ii)]	₹ 7,500	
Total taxes paid		**₹ 1,83,340**
REFUND DUE, rounded off [sections 431 and 437]		**₹ 490**

The figures to check

Total income ₹ 19,71,080 · Total tax ₹ 1,82,850 · Refund due ₹ 490

The new regime saves her ₹ 79,720 — ₹ 1,82,850 against ₹ 2,62,570 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.11 · Shri K. Srinivasa Rao · Hyderabad

SOLUTION (a) 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 — the column for a senior citizen, aged sixty years or more. 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		
Salary for the year, in the gross amount [section 15]	₹ 26,40,000	
Less: standard deduction [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"		**₹ 25,87,600**
INCOME FROM HOUSE PROPERTY		
Property 1 — Banjara Hills, Hyderabad — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Income from property 1		₹ 0
Property 2 — Beach Road, Visakhapatnam — let out		
Gross rent for the year — ₹ 40,000 a month [section 21(1)]	₹ 4,80,000	
Less: taxes paid to the local authority [section 21(7)(b)]	₹ 18,000	
Annual value	₹ 4,62,000	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 1,38,600	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 95,000	
Income from property 2		₹ 2,28,400
Total of the two properties		₹ 2,28,400
Income chargeable under the head "Income from house property"		**₹ 2,28,400**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account [section 92]	₹ 26,000	
Interest on fixed deposits with Canara Bank, in the gross amount	₹ 1,40,000	
Dividend on listed equity shares of Godavari Fertilisers Limited, in the gross amount	₹ 38,000	
Income chargeable under the head "Income from other sources"		**₹ 2,04,000**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Deccan Chemicals Limited sold on 14/07/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 4,85,000	
Less: cost of acquisition (acquired in October 2022)	₹ 3,68,000	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 1,17,000
GROSS TOTAL INCOME [section 122(10)]		**₹ 31,37,000**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — ₹ 2,90,500 paid, including the housing loan principal of ₹ 1,30,500; ceiling ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance — self and family: ₹ 46,000 paid; ceiling ₹ 50,000, senior citizen [section 126]	₹ 46,000	
Medical expenditure — mother: ₹ 40,000 paid; ceiling ₹ 50,000, senior citizen [section 126]	₹ 40,000	
Interest on deposits, senior citizen — ₹ 1,66,000; ceiling ₹ 50,000 [section 153]	₹ 50,000	
Total of the deductions allowed		**₹ 2,86,000**
TOTAL INCOME, rounded off [section 516]		**₹ 28,51,000**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 1,17,000 [section 198(2)(b)]	₹ 27,34,000	
On the first ₹ 3,00,000 — Nil [Paragraph A, Part I-B, First Schedule, Finance Act, 2026]	Nil	
On the next ₹ 2,00,000 — 5 per cent	₹ 10,000	
On the next ₹ 5,00,000 — 20 per cent	₹ 1,00,000	
On the balance of ₹ 17,34,000 — 30 per cent	₹ 5,20,200	
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		**₹ 6,30,200**
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]		₹ 25,208
TOTAL TAX AND CESS		**₹ 6,55,408**
TOTAL TAX, rounded off [section 516]		**₹ 6,55,410**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: self-assessment tax — 20 July 2027, Challan No. 00932 [section 266]	₹ 1,20,000	
Less: TDS — salary (Deccan Lifesciences Limited) [section 392]	₹ 3,63,480	
Less: TDS — interest on his fixed deposits (Canara Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 14,000	
Less: TDS — dividend (Godavari Fertilisers Limited) [section 393(1), Table Sl. No. 7]	₹ 3,800	
Total taxes paid		**₹ 5,01,280**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 1,54,130**

The figures to check

Total income ₹ 28,51,000 · Total tax ₹ 6,55,410 · Amount payable ₹ 1,54,130

Advocate Dr. S. B. Rathore

CASE 13.11 · Shri K. Srinivasa Rao · Hyderabad

SOLUTION (b) 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		
Salary for the year, in the gross amount [section 15]	₹ 26,40,000	
Less: standard deduction [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"		**₹ 25,65,000**
INCOME FROM HOUSE PROPERTY		
Property 1 — Banjara Hills, Hyderabad — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Income from property 1		₹ 0
Property 2 — Beach Road, Visakhapatnam — let out		
Gross rent for the year — ₹ 40,000 a month [section 21(1)]	₹ 4,80,000	
Less: taxes paid to the local authority [section 21(7)(b)]	₹ 18,000	
Annual value	₹ 4,62,000	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 1,38,600	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 95,000	
Income from property 2		₹ 2,28,400
Total of the two properties		₹ 2,28,400
Income chargeable under the head "Income from house property"		**₹ 2,28,400**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account [section 92]	₹ 26,000	
Interest on fixed deposits with Canara Bank, in the gross amount	₹ 1,40,000	
Dividend on listed equity shares of Godavari Fertilisers Limited, in the gross amount	₹ 38,000	
Income chargeable under the head "Income from other sources"		**₹ 2,04,000**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Deccan Chemicals Limited sold on 14/07/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 4,85,000	
Less: cost of acquisition (acquired in October 2022)	₹ 3,68,000	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 1,17,000
GROSS TOTAL INCOME [section 122(10)]		**₹ 31,14,400**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 31,14,400**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 1,17,000 [section 198(2)(b)]	₹ 29,97,400	
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 ₹ 5,97,400 — 30 per cent	₹ 1,79,220	
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		**₹ 4,79,220**
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]		₹ 19,169
TOTAL TAX AND CESS		**₹ 4,98,389**
TOTAL TAX, rounded off [section 516]		**₹ 4,98,390**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: self-assessment tax — 20 July 2027, Challan No. 00932 [section 266]	₹ 1,20,000	
Less: TDS — salary (Deccan Lifesciences Limited) [section 392]	₹ 3,63,480	
Less: TDS — interest on his fixed deposits (Canara Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 14,000	
Less: TDS — dividend (Godavari Fertilisers Limited) [section 393(1), Table Sl. No. 7]	₹ 3,800	
Total taxes paid		**₹ 5,01,280**
REFUND DUE, rounded off [sections 431 and 437]		**₹ 2,890**

The figures to check

Total income ₹ 31,14,400 · Total tax ₹ 4,98,390 · Refund due ₹ 2,890

The new regime saves him ₹ 1,57,020 — ₹ 4,98,390 against ₹ 6,55,410 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.12 · Ms. Anjali Sharma · Chandigarh

SOLUTION (a) 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	₹ 6,00,000	
House rent allowance	₹ 2,40,000	
Special allowance	₹ 3,00,000	
Conveyance allowance	₹ 36,000	
Salary for the year, in the gross amount [section 15]	₹ 11,76,000	
Less: house rent allowance exempt — least of: received ₹ 2,40,000; rent ₹ 2,16,000 less 10% of salary ₹ 60,000 = ₹ 1,56,000; 40% of salary ₹ 2,40,000 (Chandigarh — not one of the eight 50% cities) [Schedule III, Table Sl. No. 11; Rule 279]	₹ 1,56,000	
Net salary	₹ 10,20,000	
Less: standard deduction [section 19(1), Table Sl. No. 2]	₹ 50,000	
Income chargeable under the head "Salaries"		**₹ 9,70,000**
INCOME FROM HOUSE PROPERTY		
Panchkula — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 1,74,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 4,200	
Annual value	₹ 1,69,800	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 50,940	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 96,000	
Income from the property	₹ 22,860	
Income chargeable under the head "Income from house property"		**₹ 22,860**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account [section 92]	₹ 6,500	
Interest on fixed deposits with Punjab & Sind Bank, in the gross amount	₹ 28,000	
Dividend on listed equity shares of Himalayan Paper Mills Limited, in the gross amount	₹ 12,000	
Income chargeable under the head "Income from other sources"		**₹ 46,500**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Shivalik Engineering Limited sold on 26/10/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,48,000	
Less: cost of acquisition (acquired in February 2024)	₹ 1,86,400	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 61,600
GROSS TOTAL INCOME [section 122(10)]		**₹ 11,00,960**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — ₹ 2,06,500 paid, including the housing loan principal of ₹ 78,500; ceiling ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance — self and family: ₹ 21,000 paid; ceiling ₹ 25,000 [section 126]	₹ 21,000	
Interest on a savings account — ₹ 6,500; ceiling ₹ 10,000 [section 153]	₹ 6,500	
Total of the deductions allowed		**₹ 1,77,500**
TOTAL INCOME, rounded off [section 516]		**₹ 9,23,460**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 61,600 [section 198(2)(b)]	₹ 8,61,860	
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 balance of ₹ 3,61,860 — 20 per cent	₹ 72,372	
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		**₹ 84,872**
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]		₹ 3,395
TOTAL TAX AND CESS		**₹ 88,267**
TOTAL TAX, rounded off [section 516]		**₹ 88,270**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — dividend (Himalayan Paper Mills Limited) [section 393(1), Table Sl. No. 7]	₹ 1,200	
Total taxes paid		**₹ 1,200**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 87,070**

The figures to check

Total income ₹ 9,23,460 · Total tax ₹ 88,270 · Amount payable ₹ 87,070

Advocate Dr. S. B. Rathore

CASE 13.12 · Ms. Anjali Sharma · Chandigarh

SOLUTION (b) 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	₹ 6,00,000	
House rent allowance	₹ 2,40,000	
Special allowance	₹ 3,00,000	
Conveyance allowance	₹ 36,000	
Salary for the year, in the gross amount [section 15]	₹ 11,76,000	
Less: house rent allowance — not exempt under this regime [section 202(2)(a)(i)]	₹ 0	
Net salary	₹ 11,76,000	
Less: standard deduction [section 19(1), Table Sl. No. 2]	₹ 75,000	
Income chargeable under the head "Salaries"		**₹ 11,01,000**
INCOME FROM HOUSE PROPERTY		
Panchkula — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 1,74,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 4,200	
Annual value	₹ 1,69,800	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 50,940	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 96,000	
Income from the property	₹ 22,860	
Income chargeable under the head "Income from house property"		**₹ 22,860**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account [section 92]	₹ 6,500	
Interest on fixed deposits with Punjab & Sind Bank, in the gross amount	₹ 28,000	
Dividend on listed equity shares of Himalayan Paper Mills Limited, in the gross amount	₹ 12,000	
Income chargeable under the head "Income from other sources"		**₹ 46,500**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Shivalik Engineering Limited sold on 26/10/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,48,000	
Less: cost of acquisition (acquired in February 2024)	₹ 1,86,400	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 61,600
GROSS TOTAL INCOME [section 122(10)]		**₹ 12,31,960**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 12,31,960**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 61,600 [section 198(2)(b)]	₹ 11,70,360	
On the first ₹ 4,00,000 — Nil [section 202(1)]	Nil	
On the next ₹ 4,00,000 — 5 per cent	₹ 20,000	
On the balance of ₹ 3,70,360 — 10 per cent	₹ 37,036	
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		**₹ 57,036**
Less: rebate — marginal relief: the tax may not exceed the income above ₹ 12,00,000, that is ₹ 31,960 [section 156]		(₹ 25,076)
Tax after rebate		**₹ 31,960**
Add: health and education cess at four per cent [section 2, Finance Act, 2026]		₹ 1,278
TOTAL TAX AND CESS		**₹ 33,238**
TOTAL TAX, rounded off [section 516]		**₹ 33,240**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — dividend (Himalayan Paper Mills Limited) [section 393(1), Table Sl. No. 7]	₹ 1,200	
Total taxes paid		**₹ 1,200**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 32,040**

The figures to check

Total income ₹ 12,31,960 · Total tax ₹ 33,240 · Amount payable ₹ 32,040

The new regime saves her ₹ 55,030 — ₹ 33,240 against ₹ 88,270 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.13 · Shri Debashish Chatterjee · Kolkata

SOLUTION (a) 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		
Salary for the year, in the gross amount [section 15]	₹ 19,20,000	
Less: standard deduction [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"		**₹ 18,67,600**
INCOME FROM HOUSE PROPERTY		
Salt Lake City, 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 ₹ 1,10,000 — within the ceiling of ₹ 2,00,000 [section 22(1)(b)]	₹ 1,10,000	
Income from the property	(₹ 1,10,000)	
Loss set off against the other heads — within ₹ 2,00,000 [section 109(1)(b)]		
Income chargeable under the head "Income from house property"		**(₹ 1,10,000)**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account [section 92]	₹ 12,800	
Interest on fixed deposits with UCO Bank, in the gross amount	₹ 1,05,000	
Interest received on an income-tax refund	₹ 4,200	
Income chargeable under the head "Income from other sources"		**₹ 1,22,000**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Hooghly Paper Mills Limited sold on 09/12/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 3,36,000	
Less: cost of acquisition (acquired in May 2022)	₹ 2,47,300	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 88,700
GROSS TOTAL INCOME [section 122(10)]		**₹ 19,68,300**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — ₹ 3,12,100 paid, including the housing loan principal of ₹ 1,41,100; ceiling ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance — self and family: ₹ 22,000 paid; ceiling ₹ 25,000 [section 126]	₹ 22,000	
Treatment of a specified disease — ₹ 52,000 spent; ceiling ₹ 40,000 [section 128]	₹ 40,000	
Interest on a savings account — ₹ 12,800; ceiling ₹ 10,000 [section 153]	₹ 10,000	
Total of the deductions allowed		**₹ 2,22,000**
TOTAL INCOME, rounded off [section 516]		**₹ 17,46,300**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 88,700 [section 198(2)(b)]	₹ 16,57,600	
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 ₹ 6,57,600 — 30 per cent	₹ 1,97,280	
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		**₹ 3,09,780**
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]		₹ 12,391
TOTAL TAX AND CESS		**₹ 3,22,171**
TOTAL TAX, rounded off [section 516]		**₹ 3,22,170**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: self-assessment tax — 24 July 2027, Challan No. 01127 [section 266]	₹ 14,880	
Less: TDS — salary (Bharat Jute Industries Limited) [section 392]	₹ 1,75,760	
Less: TDS — interest on his fixed deposits (UCO Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 10,500	
Total taxes paid		**₹ 2,01,140**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 1,21,030**

The figures to check

Total income ₹ 17,46,300 · Total tax ₹ 3,22,170 · Amount payable ₹ 1,21,030

Advocate Dr. S. B. Rathore

CASE 13.13 · Shri Debashish Chatterjee · Kolkata

SOLUTION (b) 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		
Salary for the year, in the gross amount [section 15]	₹ 19,20,000	
Less: standard deduction [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"		**₹ 18,45,000**
INCOME FROM HOUSE PROPERTY		
Salt Lake City, Kolkata — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest ₹ 1,10,000 on the home loan — not allowed under this regime [section 202(2)(a)(v)]	₹ 0	
Income chargeable under the head "Income from house property"		**₹ 0**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account [section 92]	₹ 12,800	
Interest on fixed deposits with UCO Bank, in the gross amount	₹ 1,05,000	
Interest received on an income-tax refund	₹ 4,200	
Income chargeable under the head "Income from other sources"		**₹ 1,22,000**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Hooghly Paper Mills Limited sold on 09/12/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 3,36,000	
Less: cost of acquisition (acquired in May 2022)	₹ 2,47,300	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 88,700
GROSS TOTAL INCOME [section 122(10)]		**₹ 20,55,700**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126, 128 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 20,55,700**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 88,700 [section 198(2)(b)]	₹ 19,67,000	
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 balance of ₹ 3,67,000 — 20 per cent	₹ 73,400	
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		**₹ 1,93,400**
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]		₹ 7,736
TOTAL TAX AND CESS		**₹ 2,01,136**
TOTAL TAX, rounded off [section 516]		**₹ 2,01,140**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: self-assessment tax — 24 July 2027, Challan No. 01127 [section 266]	₹ 14,880	
Less: TDS — salary (Bharat Jute Industries Limited) [section 392]	₹ 1,75,760	
Less: TDS — interest on his fixed deposits (UCO Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 10,500	
Total taxes paid		**₹ 2,01,140**
NOTHING PAYABLE, AND NO REFUND — the taxes paid equal the tax		**₹ 0**

The figures to check

Total income ₹ 20,55,700 · Total tax ₹ 2,01,140 · Nothing payable, no refund

The new regime saves him ₹ 1,21,030 — ₹ 2,01,140 against ₹ 3,22,170 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.14 · Smt. Meenakshi Sundaram · Chennai

SOLUTION (a) 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 — the column for a super senior citizen, aged eighty years or more. 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		
Pension for the year, in the gross amount [section 15]	₹ 3,60,000	
Less: standard deduction [section 19(1), Table Sl. No. 2]	₹ 50,000	
Income chargeable under the head "Salaries"		**₹ 3,10,000**
INCOME FROM HOUSE PROPERTY		
Mylapore, Chennai — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Income chargeable under the head "Income from house property"		**₹ 0**
INCOME FROM OTHER SOURCES		
Family pension, in the gross amount	₹ 4,80,000	
Less: one-third, ₹ 1,60,000, or ₹ 15,000, whichever is less [section 93(1)(d)]	₹ 15,000	
Family pension chargeable	₹ 4,65,000	
Interest credited to the savings bank account [section 92]	₹ 32,000	
Interest on fixed deposits with Indian Bank, in the gross amount	₹ 2,40,000	
Income chargeable under the head "Income from other sources"		**₹ 7,37,000**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Coromandel Fertilisers Limited sold on 17/08/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,20,000	
Less: cost of acquisition (acquired in September 2019)	₹ 1,48,000	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 72,000
GROSS TOTAL INCOME [section 122(10)]		**₹ 11,19,000**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Health insurance — herself: ₹ 48,000 paid; ceiling ₹ 50,000, senior citizen [section 126]	₹ 48,000	
Treatment of a specified disease — ₹ 1,25,000 spent; ceiling ₹ 1,00,000, senior citizen [section 128]	₹ 1,00,000	
Interest on deposits, senior citizen — ₹ 2,72,000; ceiling ₹ 50,000 [section 153]	₹ 50,000	
Total of the deductions allowed		**₹ 1,98,000**
TOTAL INCOME, rounded off [section 516]		**₹ 9,21,000**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 72,000 [section 198(2)(b)]	₹ 8,49,000	
On the first ₹ 5,00,000 — Nil [Paragraph A, Part I-B, First Schedule, Finance Act, 2026]	Nil	
On the balance of ₹ 3,49,000 — 20 per cent	₹ 69,800	
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		**₹ 69,800**
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]		₹ 2,792
TOTAL TAX AND CESS		**₹ 72,592**
TOTAL TAX, rounded off [section 516]		**₹ 72,590**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — interest on her fixed deposits (Indian Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 24,000	
Total taxes paid		**₹ 24,000**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 48,590**

The figures to check

Total income ₹ 9,21,000 · Total tax ₹ 72,590 · Amount payable ₹ 48,590

Advocate Dr. S. B. Rathore

CASE 13.14 · Smt. Meenakshi Sundaram · Chennai

SOLUTION (b) 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		
Pension for the year, in the gross amount [section 15]	₹ 3,60,000	
Less: standard deduction [section 19(1), Table Sl. No. 2]	₹ 75,000	
Income chargeable under the head "Salaries"		**₹ 2,85,000**
INCOME FROM HOUSE PROPERTY		
Mylapore, Chennai — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Income chargeable under the head "Income from house property"		**₹ 0**
INCOME FROM OTHER SOURCES		
Family pension, in the gross amount	₹ 4,80,000	
Less: one-third, ₹ 1,60,000, or ₹ 25,000, whichever is less [section 93(1)(d)]	₹ 25,000	
Family pension chargeable	₹ 4,55,000	
Interest credited to the savings bank account [section 92]	₹ 32,000	
Interest on fixed deposits with Indian Bank, in the gross amount	₹ 2,40,000	
Income chargeable under the head "Income from other sources"		**₹ 7,27,000**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Coromandel Fertilisers Limited sold on 17/08/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,20,000	
Less: cost of acquisition (acquired in September 2019)	₹ 1,48,000	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 72,000
GROSS TOTAL INCOME [section 122(10)]		**₹ 10,84,000**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 126, 128 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 10,84,000**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 72,000 [section 198(2)(b)]	₹ 10,12,000	
On the first ₹ 4,00,000 — Nil [section 202(1)]	Nil	
On the next ₹ 4,00,000 — 5 per cent	₹ 20,000	
On the balance of ₹ 2,12,000 — 10 per cent	₹ 21,200	
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		**₹ 41,200**
Less: rebate — the total income does not exceed ₹ 12,00,000 [section 156]		(₹ 41,200)
Tax after rebate		**₹ 0**
Add: health and education cess at four per cent [section 2, Finance Act, 2026]		₹ 0
TOTAL TAX AND CESS		**₹ 0**
TOTAL TAX, rounded off [section 516]		**₹ 0**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — interest on her fixed deposits (Indian Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 24,000	
Total taxes paid		**₹ 24,000**
REFUND DUE, rounded off [sections 431 and 437]		**₹ 24,000**

The figures to check

Total income ₹ 10,84,000 · Total tax ₹ 0 · Refund due ₹ 24,000

The new regime saves her ₹ 72,590 — ₹ 0 against ₹ 72,590 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.15 · Shri Amit Patel · Ahmedabad

SOLUTION (a) 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	₹ 10,80,000	
House rent allowance	₹ 4,32,000	
Special allowance	₹ 6,48,000	
Performance bonus	₹ 1,20,000	
Salary for the year, in the gross amount [section 15]	₹ 22,80,000	
Less: house rent allowance exempt — least of: received ₹ 4,32,000; rent ₹ 4,20,000 less 10% of salary ₹ 1,08,000 = ₹ 3,12,000; 50% of salary ₹ 5,40,000 (Ahmedabad — one of the eight 50% cities) [Schedule III, Table Sl. No. 11; Rule 279]	₹ 3,12,000	
Net salary	₹ 19,68,000	
Less: standard deduction [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"		**₹ 19,15,600**
INCOME FROM HOUSE PROPERTY		
Adajan, Surat — let out		
Gross rent for the year — ₹ 18,000 a month [section 21(1)]	₹ 2,16,000	
Less: taxes paid to the local authority [section 21(7)(b)]	₹ 7,200	
Annual value	₹ 2,08,800	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 62,640	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 1,20,000	
Income chargeable under the head "Income from house property"		**₹ 26,160**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account [section 92]	₹ 11,200	
Interest on fixed deposits with Bank of Baroda, in the gross amount	₹ 52,000	
Dividend on listed equity shares of Narmada Chemicals Limited, in the gross amount	₹ 24,000	
Income chargeable under the head "Income from other sources"		**₹ 87,200**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Sabarmati Pharma Limited sold on 03/02/2027, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,94,000	
Less: cost of acquisition (acquired in September 2023)	₹ 2,11,200	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 82,800

Advocate Dr. S. B. Rathore

CASE 13.15 · Shri Amit Patel · SOLUTION (a) OLD REGIME, continued

GROSS TOTAL INCOME [section 122(10)]		**₹ 21,11,760**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — ₹ 3,13,100 paid, including the housing loan principal of ₹ 56,500; ceiling ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance — self and family: ₹ 24,000 paid; ceiling ₹ 25,000 [section 126]	₹ 24,000	
Health insurance — parents: ₹ 46,000 paid; ceiling ₹ 50,000, senior citizen [section 126]	₹ 46,000	
Interest on a savings account — ₹ 11,200; ceiling ₹ 10,000 [section 153]	₹ 10,000	
Total of the deductions allowed		**₹ 2,30,000**
TOTAL INCOME, rounded off [section 516]		**₹ 18,81,760**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 82,800 [section 198(2)(b)]	₹ 17,98,960	
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 ₹ 7,98,960 — 30 per cent	₹ 2,39,688	
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		**₹ 3,52,188**
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]		₹ 14,088
TOTAL TAX AND CESS		**₹ 3,66,276**
TOTAL TAX, rounded off [section 516]		**₹ 3,66,280**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: advance tax — 15 March 2027, Challan No. 04876 [sections 404 to 408]	₹ 20,000	
Less: TDS — salary (Sabarmati Textiles Limited) [section 392]	₹ 2,61,300	
Less: TDS — interest on his fixed deposits (Bank of Baroda) [section 393(1), Table Sl. No. 5(ii)]	₹ 5,200	
Less: TDS — dividend (Narmada Chemicals Limited) [section 393(1), Table Sl. No. 7]	₹ 2,400	
Total taxes paid		**₹ 2,88,900**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 77,380**

The figures to check

Total income ₹ 18,81,760 · Total tax ₹ 3,66,280 · Amount payable ₹ 77,380

Advocate Dr. S. B. Rathore

CASE 13.15 · Shri Amit Patel · Ahmedabad

SOLUTION (b) 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	₹ 10,80,000	
House rent allowance	₹ 4,32,000	
Special allowance	₹ 6,48,000	
Performance bonus	₹ 1,20,000	
Salary for the year, in the gross amount [section 15]	₹ 22,80,000	
Less: house rent allowance — not exempt under this regime [section 202(2)(a)(i)]	₹ 0	
Net salary	₹ 22,80,000	
Less: standard deduction [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"		**₹ 22,05,000**
INCOME FROM HOUSE PROPERTY		
Adajan, Surat — let out		
Gross rent for the year — ₹ 18,000 a month [section 21(1)]	₹ 2,16,000	
Less: taxes paid to the local authority [section 21(7)(b)]	₹ 7,200	
Annual value	₹ 2,08,800	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 62,640	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 1,20,000	
Income chargeable under the head "Income from house property"		**₹ 26,160**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account [section 92]	₹ 11,200	
Interest on fixed deposits with Bank of Baroda, in the gross amount	₹ 52,000	
Dividend on listed equity shares of Narmada Chemicals Limited, in the gross amount	₹ 24,000	
Income chargeable under the head "Income from other sources"		**₹ 87,200**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Sabarmati Pharma Limited sold on 03/02/2027, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,94,000	
Less: cost of acquisition (acquired in September 2023)	₹ 2,11,200	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 82,800
GROSS TOTAL INCOME [section 122(10)]		**₹ 24,01,160**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 24,01,160**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 82,800 [section 198(2)(b)]	₹ 23,18,360	
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 balance of ₹ 3,18,360 — 25 per cent	₹ 79,590	
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		**₹ 2,79,590**
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]		₹ 11,184
TOTAL TAX AND CESS		**₹ 2,90,774**
TOTAL TAX, rounded off [section 516]		**₹ 2,90,770**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: advance tax — 15 March 2027, Challan No. 04876 [sections 404 to 408]	₹ 20,000	
Less: TDS — salary (Sabarmati Textiles Limited) [section 392]	₹ 2,61,300	
Less: TDS — interest on his fixed deposits (Bank of Baroda) [section 393(1), Table Sl. No. 5(ii)]	₹ 5,200	
Less: TDS — dividend (Narmada Chemicals Limited) [section 393(1), Table Sl. No. 7]	₹ 2,400	
Total taxes paid		**₹ 2,88,900**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 1,870**

The figures to check

Total income ₹ 24,01,160 · Total tax ₹ 2,90,770 · Amount payable ₹ 1,870

The new regime saves him ₹ 75,510 — ₹ 2,90,770 against ₹ 3,66,280 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.16 · Shri Karan Mehra · New Delhi

SOLUTION (a) 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 — State Bank of India [section 92]	₹ 14,200	
Interest on fixed deposits — State Bank of India, 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**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Indus Cables Limited sold on 21/08/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 3,42,000	
Less: cost of acquisition (acquired in April 2024)	₹ 2,58,500	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 83,500
GROSS TOTAL INCOME [section 122(10)]		**₹ 23,71,100**
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, housing loan principal ₹ 1,21,800; total ₹ 4,08,600, 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**
TOTAL INCOME, rounded off [section 516]		**₹ 20,90,100**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 83,500 [section 198(2)(b)]	₹ 20,06,600	
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	

Advocate Dr. S. B. Rathore

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 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		**₹ 4,14,480**
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 (State Bank of India) [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 ₹ 20,90,100 · Total tax ₹ 4,31,060 · Amount payable ₹ 23,360

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

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 long-term capital gain (no tax is payable on it) and 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 13.16 · Shri Karan Mehra · New Delhi

SOLUTION (b) 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 — State Bank of India [section 92]	₹ 14,200	
Interest on fixed deposits — State Bank of India, 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**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Indus Cables Limited sold on 21/08/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 3,42,000	
Less: cost of acquisition (acquired in April 2024)	₹ 2,58,500	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 83,500
GROSS TOTAL INCOME [section 122(10)]		**₹ 28,09,300**

Advocate Dr. S. B. Rathore

CASE 13.16 · Shri Karan Mehra · SOLUTION (b) NEW REGIME, continued

DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126, 133, 137 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 28,09,300**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 83,500 [section 198(2)(b)]	₹ 27,25,800	
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 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		**₹ 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	
Less: TDS — FD interest (State Bank of India) [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 ₹ 28,09,300 · Total tax ₹ 4,13,650 · Amount payable ₹ 5,950

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

Advocate Dr. S. B. Rathore

CASE 13.17 · Smt. Sneha Kulkarni · Pune

SOLUTION (a) 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**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Sahyadri Motors Limited sold on 11/03/2027, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,06,000	
Less: cost of acquisition (acquired in July 2023)	₹ 1,49,300	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 56,700
GROSS TOTAL INCOME [section 122(10)]		**₹ 18,25,600**

Advocate Dr. S. B. Rathore

CASE 13.17 · Smt. Sneha Kulkarni · SOLUTION (a) OLD REGIME, continued

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, housing loan principal ₹ 1,55,800; total ₹ 3,88,200, 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	
Total of the deductions allowed		**₹ 4,15,800**
TOTAL INCOME, rounded off [section 516]		**₹ 14,09,800**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 56,700 [section 198(2)(b)]	₹ 13,53,100	
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 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		**₹ 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 ₹ 14,09,800 · Total tax ₹ 2,27,170 · Amount payable ₹ 26,200

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 13.17 · Smt. Sneha Kulkarni · Pune

SOLUTION (b) 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**

Advocate Dr. S. B. Rathore

CASE 13.17 · Smt. Sneha Kulkarni · SOLUTION (b) NEW REGIME, continued

LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Sahyadri Motors Limited sold on 11/03/2027, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,06,000	
Less: cost of acquisition (acquired in July 2023)	₹ 1,49,300	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 56,700
GROSS TOTAL INCOME [section 122(10)]		**₹ 21,68,100**
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 sections 123, 126, 129 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 1,45,200**
TOTAL INCOME, rounded off [section 516]		**₹ 20,22,900**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 56,700 [section 198(2)(b)]	₹ 19,66,200	
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 balance of ₹ 3,66,200 — 20 per cent	₹ 73,240	
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		**₹ 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	
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**
NOTHING PAYABLE, AND NO REFUND — the taxes paid equal the tax		**₹ 0**

The figures to check

Total income ₹ 20,22,900 · Total tax ₹ 2,00,970 · Nothing payable, no refund

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

Advocate Dr. S. B. Rathore

CASE 13.18 · Shri Imran Qureshi · Hyderabad

SOLUTION (a) 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 HOUSE PROPERTY		
Warangal — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,35,000 — within the ceiling of ₹ 2,00,000 [section 22(1)(b)]	₹ 1,35,000	
Income from the property	(₹ 1,35,000)	
Loss set off against the other heads — within ₹ 2,00,000 [section 109(1)(b)]		
Income chargeable under the head "Income from house property"		**(₹ 1,35,000)**
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**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Golconda Power Limited sold on 28/09/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,58,000	
Less: cost of acquisition (acquired in December 2023)	₹ 1,87,600	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 70,400
GROSS TOTAL INCOME [section 122(10)]		**₹ 18,14,800**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 1,29,600, ELSS units ₹ 25,000, housing loan principal ₹ 68,800; total ₹ 2,23,400, 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 [section 516]		**₹ 15,35,800**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 70,400 [section 198(2)(b)]	₹ 14,65,400	
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 ₹ 4,65,400 — 30 per cent	₹ 1,39,620	
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		**₹ 2,52,120**

Advocate Dr. S. B. Rathore

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]		₹ 10,085
TOTAL TAX AND CESS		**₹ 2,62,205**
TOTAL TAX, rounded off [section 516]		**₹ 2,62,210**
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]		**₹ 41,210**

The figures to check

Total income ₹ 15,35,800 · Total tax ₹ 2,62,210 · Amount payable ₹ 41,210

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

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 long-term capital gain (no tax is payable on it) and the other Chapter VIII deductions — the adjusted gross total income [section 133(7)(a)]	₹ 15,20,400
Qualifying limit — ten per cent of it [section 133(2)]	₹ 1,52,040
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 13.18 · Shri Imran Qureshi · Hyderabad

SOLUTION (b) 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 HOUSE PROPERTY		
Warangal — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,35,000 — not deductible under this regime [section 202(2)(a)(v)]	₹ 0	
Income from the property	₹ 0	
Income chargeable under the head "Income from house property"		**₹ 0**
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**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Golconda Power Limited sold on 28/09/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,58,000	
Less: cost of acquisition (acquired in December 2023)	₹ 1,87,600	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 70,400
GROSS TOTAL INCOME [section 122(10)]		**₹ 21,55,200**

Advocate Dr. S. B. Rathore

CASE 13.18 · Shri Imran Qureshi · SOLUTION (b) NEW REGIME, continued

DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126, 133 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 21,55,200**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 70,400 [section 198(2)(b)]	₹ 20,84,800	
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 balance of ₹ 84,800 — 25 per cent	₹ 21,200	
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		**₹ 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 ₹ 21,55,200 · Total tax ₹ 2,30,050 · Amount payable ₹ 9,050

The new regime saves him ₹ 32,160 — ₹ 2,30,050 against ₹ 2,62,210 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
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.

Advocate Dr. S. B. Rathore

CASE 13.19 · Ms. Pooja Agarwal · Jaipur

SOLUTION (a) 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 HOUSE PROPERTY		
Ajmer — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 1,32,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 3,000	
Annual value	₹ 1,29,000	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 38,700	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 72,000	
Income from the property	₹ 18,300	
Income chargeable under the head "Income from house property"		**₹ 18,300**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Punjab National Bank [section 92]	₹ 7,800	
Interest on fixed deposits — Punjab National Bank, in the gross amount	₹ 26,000	
Income chargeable under the head "Income from other sources"		**₹ 33,800**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Marudhar Steels Limited sold on 15/02/2027, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 1,54,000	
Less: cost of acquisition (acquired in November 2024)	₹ 1,10,800	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 43,200
GROSS TOTAL INCOME [section 122(10)]		**₹ 13,77,300**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 1,15,200, term insurance premium ₹ 14,000, housing loan principal ₹ 26,300; total ₹ 1,55,500, restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
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		**₹ 2,83,550**
TOTAL INCOME, rounded off [section 516]		**₹ 10,93,750**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 43,200 [section 198(2)(b)]	₹ 10,50,550	
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	

Advocate Dr. S. B. Rathore

On the balance of ₹ 50,550 — 30 per cent	₹ 15,165	
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		**₹ 1,27,665**
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]		₹ 5,107
TOTAL TAX AND CESS		**₹ 1,32,772**
TOTAL TAX, rounded off [section 516]		**₹ 1,32,770**
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, rounded off [section 266]		**₹ 30,000**

The figures to check

Total income ₹ 10,93,750 · Total tax ₹ 1,32,770 · Amount payable ₹ 30,000

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)]	₹ 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

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 long-term capital gain (no tax is payable on it) and the other Chapter VIII deductions — the adjusted gross total income [section 133(7)(a)]	₹ 10,62,300
Qualifying limit — ten per cent of it [section 133(2)]	₹ 1,06,230
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 13.19 · Ms. Pooja Agarwal · Jaipur

SOLUTION (b) 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 HOUSE PROPERTY		
Ajmer — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 1,32,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 3,000	
Annual value	₹ 1,29,000	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 38,700	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 72,000	
Income from the property	₹ 18,300	
Income chargeable under the head "Income from house property"		**₹ 18,300**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Punjab National Bank [section 92]	₹ 7,800	
Interest on fixed deposits — Punjab National Bank, in the gross amount	₹ 26,000	
Income chargeable under the head "Income from other sources"		**₹ 33,800**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Marudhar Steels Limited sold on 15/02/2027, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 1,54,000	
Less: cost of acquisition (acquired in November 2024)	₹ 1,10,800	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 43,200
GROSS TOTAL INCOME [section 122(10)]		**₹ 15,20,300**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126, 129, 133 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 15,20,300**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 43,200 [section 198(2)(b)]	₹ 14,77,100	
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 balance of ₹ 2,77,100 — 15 per cent	₹ 41,565	
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		**₹ 1,01,565**
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]		₹ 4,063
TOTAL TAX AND CESS		**₹ 1,05,628**
TOTAL TAX, rounded off [section 516]		**₹ 1,05,630**
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]		**₹ 2,860**

The figures to check

Total income ₹ 15,20,300 · Total tax ₹ 1,05,630 · Amount payable ₹ 2,860

The new regime saves her ₹ 27,140 — ₹ 1,05,630 against ₹ 1,32,770 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.20 · Shri Vikram Sethi · Chandigarh

SOLUTION (a) 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 — State Bank of India [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**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Punjab Tractors and Implements Limited sold on 07/10/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 4,12,000	
Less: cost of acquisition (acquired in August 2021)	₹ 3,04,000	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 1,08,000
GROSS TOTAL INCOME [section 122(10)]		**₹ 26,11,740**
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, housing loan principal ₹ 1,09,100; total ₹ 2,77,100, 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	

Advocate Dr. S. B. Rathore

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 [section 516]		**₹ 21,55,460**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 1,08,000 [section 198(2)(b)]	₹ 20,47,460	
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 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		**₹ 4,26,738**
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
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 ₹ 21,55,460 · Total tax ₹ 4,43,810 · Amount payable ₹ 1,13,610

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

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 13.20 · Shri Vikram Sethi · Chandigarh

SOLUTION (b) 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 — State Bank of India [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**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Punjab Tractors and Implements Limited sold on 07/10/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 4,12,000	
Less: cost of acquisition (acquired in August 2021)	₹ 3,04,000	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 1,08,000
GROSS TOTAL INCOME [section 122(10)]		**₹ 27,77,160**

Advocate Dr. S. B. Rathore

CASE 13.20 · Shri Vikram Sethi · SOLUTION (b) NEW REGIME, continued

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 sections 123, 126, 137 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 1,99,080**
TOTAL INCOME, rounded off [section 516]		**₹ 25,78,080**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 1,08,000 [section 198(2)(b)]	₹ 24,70,080	
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 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		**₹ 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**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 3,670**

The figures to check

Total income ₹ 25,78,080 · Total tax ₹ 3,33,870 · Amount payable ₹ 3,670

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

Advocate Dr. S. B. Rathore

CASE 13.21 · Smt. Anita Desai · Ahmedabad

SOLUTION (a) 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 HOUSE PROPERTY		
Vadodara — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 1,80,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 4,800	
Annual value	₹ 1,75,200	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 52,560	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 1,02,000	
Income from the property	₹ 20,640	
Income chargeable under the head "Income from house property"		**₹ 20,640**
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**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Narmada Dyes Limited sold on 19/11/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,86,000	
Less: cost of acquisition (acquired in June 2022)	₹ 2,12,500	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 73,500
GROSS TOTAL INCOME [section 122(10)]		**₹ 17,49,340**
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, housing loan principal ₹ 71,700; total ₹ 2,91,300, 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**

Advocate Dr. S. B. Rathore

TOTAL INCOME, rounded off [section 516]		**₹ 14,80,340**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 73,500 [section 198(2)(b)]	₹ 14,06,840	
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 ₹ 4,06,840 — 30 per cent	₹ 1,22,052	
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		**₹ 2,34,552**
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]		₹ 9,382
TOTAL TAX AND CESS		**₹ 2,43,934**
TOTAL TAX, rounded off [section 516]		**₹ 2,43,930**
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]		**₹ 65,760**

The figures to check

Total income ₹ 14,80,340 · Total tax ₹ 2,43,930 · Amount payable ₹ 65,760

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

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

CASE 13.21 · Smt. Anita Desai · Ahmedabad

SOLUTION (b) 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 HOUSE PROPERTY		
Vadodara — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 1,80,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 4,800	
Annual value	₹ 1,75,200	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 52,560	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 1,02,000	
Income from the property	₹ 20,640	
Income chargeable under the head "Income from house property"		**₹ 20,640**
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**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Narmada Dyes Limited sold on 19/11/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,86,000	
Less: cost of acquisition (acquired in June 2022)	₹ 2,12,500	

Advocate Dr. S. B. Rathore

Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 73,500
GROSS TOTAL INCOME [section 122(10)]		**₹ 19,50,740**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126, 129 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 19,50,740**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 73,500 [section 198(2)(b)]	₹ 18,77,240	
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 balance of ₹ 2,77,240 — 20 per cent	₹ 55,448	
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		**₹ 1,75,448**
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]		₹ 7,018
TOTAL TAX AND CESS		**₹ 1,82,466**
TOTAL TAX, rounded off [section 516]		**₹ 1,82,470**
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]		**₹ 4,300**

Advocate Dr. S. B. Rathore

The figures to check

Total income ₹ 19,50,740 · Total tax ₹ 1,82,470 · Amount payable ₹ 4,300

The new regime saves her ₹ 61,460 — ₹ 1,82,470 against ₹ 2,43,930 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
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.

CASE 13.22 · Shri Rahul Bhatia · Kolkata

SOLUTION (a) 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**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Bengal Jute Products Limited sold on 23/07/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 3,64,000	
Less: cost of acquisition (acquired in January 2023)	₹ 2,69,600	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 94,400
GROSS TOTAL INCOME [section 122(10)]		**₹ 26,55,200**

Advocate Dr. S. B. Rathore

CASE 13.22 · Shri Rahul Bhatia · SOLUTION (a) OLD REGIME, continued

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 — two loans ₹ 1,69,700; total ₹ 3,94,340, 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 [section 516]		**₹ 21,94,000**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 94,400 [section 198(2)(b)]	₹ 20,99,600	
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 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		**₹ 4,42,380**
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 ₹ 21,94,000 · Total tax ₹ 4,60,080 · Amount payable ₹ 1,29,880

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

CASE 13.22 · Shri Rahul Bhatia · Kolkata

SOLUTION (b) 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**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Bengal Jute Products Limited sold on 23/07/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 3,64,000	
Less: cost of acquisition (acquired in January 2023)	₹ 2,69,600	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 94,400

Advocate Dr. S. B. Rathore

CASE 13.22 · Shri Rahul Bhatia · SOLUTION (b) NEW REGIME, continued

GROSS TOTAL INCOME [section 122(10)]		**₹ 27,52,600**
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 sections 123, 126, 128 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 1,87,200**
TOTAL INCOME, rounded off [section 516]		**₹ 25,65,400**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 94,400 [section 198(2)(b)]	₹ 24,71,000	
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 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		**₹ 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	
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 ₹ 25,65,400 · Total tax ₹ 3,34,150 · Amount payable ₹ 3,950

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

Advocate Dr. S. B. Rathore

CASE 13.23 · Shri Deepak Rao · Bengaluru

SOLUTION (a) 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 HOUSE PROPERTY		
Mangaluru — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,62,000 — within the ceiling of ₹ 2,00,000 [section 22(1)(b)]	₹ 1,62,000	
Income from the property	(₹ 1,62,000)	
Loss set off against the other heads — within ₹ 2,00,000 [section 109(1)(b)]		
Income chargeable under the head "Income from house property"		**(₹ 1,62,000)**
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	₹ 60,000	
Income chargeable under the head "Income from other sources"		**₹ 73,300**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration — Infosys Limited ₹ 2,30,000 (sold on 12/08/2026) and HDFC Bank Limited ₹ 3,52,000 (sold on 19/02/2027), securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 5,82,000	
Less: cost of acquisition — Infosys Limited ₹ 1,71,000 (acquired on 10/04/2024) and HDFC Bank Limited ₹ 2,87,000 (acquired on 06/01/2025)	₹ 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)]		**₹ 24,26,800**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 2,01,600, ELSS units ₹ 30,000, housing loan principal ₹ 98,000; total ₹ 3,29,600, 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 [section 516]		**₹ 21,70,800**

Advocate Dr. S. B. Rathore

CASE 13.23 · Shri Deepak Rao · SOLUTION (a) OLD REGIME, continued

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)]	₹ 20,46,800	
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 ₹ 10,46,800 — 30 per cent	₹ 3,14,040	
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		**₹ 4,26,540**
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]		₹ 17,062
TOTAL TAX AND CESS		**₹ 4,43,602**
TOTAL TAX, rounded off [section 516]		**₹ 4,43,600**
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)]	₹ 6,000	
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		**₹ 4,36,200**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 7,400**

The figures to check
Total income ₹ 21,70,800 · Total tax ₹ 4,43,600 · Amount payable ₹ 7,400

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

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 13.23 · Shri Deepak Rao · Bengaluru

SOLUTION (b) 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 HOUSE PROPERTY		
Mangaluru — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,62,000 — not deductible under this regime [section 202(2)(a)(v)]	₹ 0	
Income from the property	₹ 0	
Income chargeable under the head "Income from house property"		**₹ 0**
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	₹ 60,000	
Income chargeable under the head "Income from other sources"		**₹ 73,300**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration — Infosys Limited ₹ 2,30,000 (sold on 12/08/2026) and HDFC Bank Limited ₹ 3,52,000 (sold on 19/02/2027), securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 5,82,000	
Less: cost of acquisition — Infosys Limited ₹ 1,71,000 (acquired on 10/04/2024) and HDFC Bank Limited ₹ 2,87,000 (acquired on 06/01/2025)	₹ 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)]		**₹ 29,74,300**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126, 129, 137 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 29,74,300**
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)]	₹ 28,50,300	
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 ₹ 4,50,300 — 30 per cent	₹ 1,35,090	
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		**₹ 4,35,090**
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]		₹ 17,404
TOTAL TAX AND CESS		**₹ 4,52,494**
TOTAL TAX, rounded off [section 516]		**₹ 4,52,490**
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)]	₹ 6,000	
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		**₹ 4,36,200**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 16,290**

The figures to check

Total income ₹ 29,74,300 · Total tax ₹ 4,52,490 · Amount payable ₹ 16,290

The old regime saves him ₹ 8,890 — ₹ 4,43,600 against ₹ 4,52,490 under the new regime.

Advocate Dr. S. B. Rathore

CASE 13.24 · Smt. Meera Joshi · Lucknow

SOLUTION (a) 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**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Awadh Sugar Mills Limited sold on 30/01/2027, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 3,92,000	
Less: cost of acquisition (acquired in August 2022)	₹ 2,83,000	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 1,09,000
GROSS TOTAL INCOME [section 122(10)]		**₹ 27,99,800**
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 [section 516]		**₹ 25,01,400**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 1,09,000 [section 198(2)(b)]	₹ 23,92,400	
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	

Advocate Dr. S. B. Rathore

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

The figures to check

Total income ₹ 25,01,400 · Total tax ₹ 5,51,430 · Amount payable ₹ 1,19,630

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

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 long-term capital gain (no tax is payable on it) and 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 13.24 · Smt. Meera Joshi · Lucknow

SOLUTION (b) 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**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Awadh Sugar Mills Limited sold on 30/01/2027, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 3,92,000	
Less: cost of acquisition (acquired in August 2022)	₹ 2,83,000	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 1,09,000
GROSS TOTAL INCOME [section 122(10)]		**₹ 28,52,800**

Advocate Dr. S. B. Rathore

CASE 13.24 · Smt. Meera Joshi · SOLUTION (b) NEW REGIME, continued

DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126, 128, 133 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 28,52,800**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 1,09,000 [section 198(2)(b)]	₹ 27,43,800	
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 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		**₹ 4,03,140**
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, rounded off [sections 431 and 437]		**₹ 12,530**

The figures to check

Total income ₹ 28,52,800 · Total tax ₹ 4,19,270 · Refund due ₹ 12,530

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

Advocate Dr. S. B. Rathore

CASE 13.25 · Shri Arjun Nair · Kochi

SOLUTION (a) 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**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Malabar Spices Limited sold on 13/05/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,31,000	
Less: cost of acquisition (acquired in March 2024)	₹ 1,68,800	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 62,200
GROSS TOTAL INCOME [section 122(10)]		**₹ 17,55,200**

Advocate Dr. S. B. Rathore

CASE 13.25 · Shri Arjun Nair · SOLUTION (a) OLD REGIME, continued

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, housing loan principal ₹ 82,900; total ₹ 2,67,060, 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	
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 [section 516]		**₹ 13,63,400**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 62,200 [section 198(2)(b)]	₹ 13,01,200	
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 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		**₹ 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 ₹ 13,63,400 · Total tax ₹ 2,10,970 · Amount payable ₹ 54,070

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

CASE 13.25 · Shri Arjun Nair · Kochi

SOLUTION (b) 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**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Malabar Spices Limited sold on 13/05/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,31,000	
Less: cost of acquisition (acquired in March 2024)	₹ 1,68,800	

Advocate Dr. S. B. Rathore

Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 62,200
GROSS TOTAL INCOME [section 122(10)]		**₹ 19,72,700**
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 sections 123, 126, 129, 137 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 1,36,800**
TOTAL INCOME, rounded off [section 516]		**₹ 18,35,900**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 62,200 [section 198(2)(b)]	₹ 17,73,700	
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 balance of ₹ 1,73,700 — 20 per cent	₹ 34,740	
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		**₹ 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**
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 ₹ 18,35,900 · Total tax ₹ 1,60,930 · Amount payable ₹ 4,030

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.

Advocate Dr. S. B. Rathore

CASE 13.26 · Shri Manish Kumar Jain · Chennai

SOLUTION (a) 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 (₹ 1,46,500 a month)	₹ 17,58,000	
Dearness allowance (₹ 29,300 a month) — the whole of it enters retirement benefits	₹ 3,51,600	
House rent allowance (₹ 33,000 a month)	₹ 3,96,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 25,05,600	
Less: house rent allowance — the least of the three limits; Working note A [Schedule III, Table Sl. No. 11; Rule 279]	₹ 1,43,040	
Net salary	₹ 23,62,560	
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"		**₹ 23,10,060**
INCOME FROM HOUSE PROPERTY		
Property 1 — Meerut — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,83,500 — within the ceiling of ₹ 2,00,000 [section 22(1)(b)]	₹ 1,83,500	
Income from property 1		(₹ 1,83,500)
Property 2 — Coimbatore — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 2,34,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 7,200	
Annual value	₹ 2,26,800	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 68,040	
Income from property 2		₹ 1,58,760
Total of the two properties		(₹ 24,740)
Loss set off against the other heads — within ₹ 2,00,000 [section 109(1)(b)]		
Income chargeable under the head "Income from house property"		**(₹ 24,740)**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Indian Bank [section 92]	₹ 12,700	
Interest on fixed deposits — Indian Bank, in the gross amount	₹ 61,500	
Dividend on listed equity shares of Palar Cements Limited, in the gross amount	₹ 18,200	
Income chargeable under the head "Income from other sources"		**₹ 92,400**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Vaigai Electricals Limited sold on 14/10/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 3,92,600	
Less: cost of acquisition (acquired in August 2022)	₹ 2,94,300	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 98,300
GROSS TOTAL INCOME [section 122(10)]		**₹ 24,76,020**

Advocate Dr. S. B. Rathore

CASE 13.26 · Shri Manish Kumar Jain · SOLUTION (a) OLD REGIME, continued

DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 2,53,152, LIC premium ₹ 24,600, housing loan principal ₹ 1,04,000; total ₹ 3,81,752, restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance — self and family: ₹ 21,400 paid; ceiling ₹ 25,000 [section 126]	₹ 21,400	
Health insurance — parents: ₹ 38,900 paid; ceiling ₹ 50,000, senior citizens [section 126]	₹ 38,900	
Interest on savings account — ₹ 12,700; ceiling ₹ 10,000 [section 153]	₹ 10,000	
Total of the deductions allowed		**₹ 2,20,300**
TOTAL INCOME, rounded off [section 516]		**₹ 22,55,720**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 98,300 [section 198(2)(b)]	₹ 21,57,420	
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 ₹ 11,57,420 — 30 per cent	₹ 3,47,226	
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		**₹ 4,59,726**
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]		₹ 18,389
TOTAL TAX AND CESS		**₹ 4,78,115**
TOTAL TAX, rounded off [section 516]		**₹ 4,78,120**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Coromandel Auto Components Limited) [section 392]	₹ 4,40,600	
Less: TDS — FD interest (Indian Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 6,150	
Less: TDS — dividend (Palar Cements Limited) [section 393(1), Table Sl. No. 7]	₹ 1,820	
Less: advance tax paid on 15/12/2026 [sections 404 to 408]	₹ 15,000	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 11,000	
Total taxes paid		**₹ 4,74,570**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 3,550**

The figures to check

Total income ₹ 22,55,720 · Total tax ₹ 4,78,120 · Amount payable ₹ 3,550

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)]	₹ 21,09,600
(a) The allowance actually received [Rule 279(1)(a)]	₹ 3,96,000
(b) Rent paid ₹ 3,54,000, less one-tenth of the salary ₹ 2,10,960 [Rule 279(1)(b)]	₹ 1,43,040
(c) 50 per cent of the salary — Chennai is one of the eight places [Rule 279(1)(c)]	₹ 10,54,800
Exempt — the least of (a), (b) and (c)	**₹ 1,43,040**
Taxable — the rest of the allowance	₹ 2,52,960

Advocate Dr. S. B. Rathore

CASE 13.26 · Shri Manish Kumar Jain · Chennai

SOLUTION (b) 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 (₹ 1,46,500 a month)	₹ 17,58,000	
Dearness allowance (₹ 29,300 a month) — the whole of it enters retirement benefits	₹ 3,51,600	
House rent allowance (₹ 33,000 a month)	₹ 3,96,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 25,05,600	
Less: house rent allowance — not exempt under this regime [section 202(2)(a)(i)]	₹ 0	
Net salary	₹ 25,05,600	
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"		**₹ 24,30,600**
INCOME FROM HOUSE PROPERTY		
Property 1 — Meerut — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,83,500 — not deductible under this regime [section 202(2)(a)(v)]	₹ 0	
Income from property 1		₹ 0
Property 2 — Coimbatore — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 2,34,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 7,200	
Annual value	₹ 2,26,800	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 68,040	
Income from property 2		₹ 1,58,760
Total of the two properties		₹ 1,58,760
Income chargeable under the head "Income from house property"		**₹ 1,58,760**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Indian Bank [section 92]	₹ 12,700	
Interest on fixed deposits — Indian Bank, in the gross amount	₹ 61,500	
Dividend on listed equity shares of Palar Cements Limited, in the gross amount	₹ 18,200	
Income chargeable under the head "Income from other sources"		**₹ 92,400**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Vaigai Electricals Limited sold on 14/10/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 3,92,600	
Less: cost of acquisition (acquired in August 2022)	₹ 2,94,300	

Advocate Dr. S. B. Rathore

CASE 13.26 · Shri Manish Kumar Jain · SOLUTION (b) NEW REGIME, continued

Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 98,300
GROSS TOTAL INCOME [section 122(10)]		**₹ 27,80,060**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 27,80,060**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 98,300 [section 198(2)(b)]	₹ 26,81,760	
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 ₹ 2,81,760 — 30 per cent	₹ 84,528	
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		**₹ 3,84,528**
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]		₹ 15,381
TOTAL TAX AND CESS		**₹ 3,99,909**
TOTAL TAX, rounded off [section 516]		**₹ 3,99,910**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Coromandel Auto Components Limited) [section 392]	₹ 4,40,600	
Less: TDS — FD interest (Indian Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 6,150	
Less: TDS — dividend (Palar Cements Limited) [section 393(1), Table Sl. No. 7]	₹ 1,820	
Less: advance tax paid on 15/12/2026 [sections 404 to 408]	₹ 15,000	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 11,000	
Total taxes paid		**₹ 4,74,570**
REFUND DUE, rounded off [sections 431 and 437]		**₹ 74,660**

The figures to check

Total income ₹ 27,80,060 · Total tax ₹ 3,99,910 · Refund due ₹ 74,660

The new regime saves him ₹ 78,210 — ₹ 3,99,910 against ₹ 4,78,120 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.27 · Smt. Jaya Arora · Jalandhar

SOLUTION (a) 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 (₹ 1,62,000 a month)	₹ 19,44,000	
Dearness allowance (₹ 25,900 a month) — the whole of it enters retirement benefits	₹ 3,10,800	
Children education allowance (₹ 4,000 a month — for her only child, at school in Jalandhar; no hostel allowance)	₹ 48,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 23,02,800	
Less: children education allowance — ₹ 3,000 a month for her child [Schedule III, Table Sl. No. 13; Rule 280(2), Sl. No. 7]	₹ 36,000	
Net salary	₹ 22,66,800	
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]	₹ 2,400	
Income chargeable under the head "Salaries"		**₹ 22,14,400**
INCOME FROM HOUSE PROPERTY		
Property 1 — Jalandhar — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,64,800 — within the ceiling of ₹ 2,00,000 [section 22(1)(b)]	₹ 1,64,800	
Income from property 1		(₹ 1,64,800)
Property 2 — Mohali — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 2,52,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 8,400	
Annual value	₹ 2,43,600	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 73,080	
Income from property 2		₹ 1,70,520
Total of the two properties		₹ 5,720
Income chargeable under the head "Income from house property"		**₹ 5,720**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — State Bank of India [section 92]	₹ 8,600	
Interest on fixed deposits — State Bank of India, in the gross amount	₹ 46,000	
Interest on income-tax refund	₹ 2,940	
Income chargeable under the head "Income from other sources"		**₹ 57,540**

Advocate Dr. S. B. Rathore

CASE 13.27 · Smt. Jaya Arora · SOLUTION (a) OLD REGIME, continued

LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Sutlej Agro Machines Limited sold on 09/12/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,36,800	
Less: cost of acquisition (acquired in January 2024)	₹ 1,62,500	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 74,300
GROSS TOTAL INCOME [section 122(10)]		**₹ 23,51,960**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 21,600, LIC premium ₹ 16,500, tuition fees ₹ 28,500, housing loan principal ₹ 72,500; total ₹ 1,39,100, within ₹ 1,50,000 [section 123]	₹ 1,39,100	
Health insurance — self and family: ₹ 19,600 paid; ceiling ₹ 25,000 [section 126]	₹ 19,600	
Health insurance — parents: ₹ 29,800 paid; ceiling ₹ 50,000, senior citizens [section 126]	₹ 29,800	
Interest on savings account — ₹ 8,600; ceiling ₹ 10,000 [section 153]	₹ 8,600	
Total of the deductions allowed		**₹ 1,97,100**
TOTAL INCOME, rounded off [section 516]		**₹ 21,54,860**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 74,300 [section 198(2)(b)]	₹ 20,80,560	
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 ₹ 10,80,560 — 30 per cent	₹ 3,24,168	
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		**₹ 4,36,668**
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]		₹ 17,467
TOTAL TAX AND CESS		**₹ 4,54,135**
TOTAL TAX, rounded off [section 516]		**₹ 4,54,140**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Doaba Sports Exports Private Limited) [section 392]	₹ 4,22,000	
Less: self-assessment tax paid on 18/07/2027 [section 266]	₹ 32,140	
Total taxes paid		**₹ 4,54,140**
NOTHING PAYABLE, AND NO REFUND — the taxes paid equal the tax		**₹ 0**

The figures to check

Total income ₹ 21,54,860 · Total tax ₹ 4,54,140 · Nothing payable, no refund

Advocate Dr. S. B. Rathore

CASE 13.27 · Smt. Jaya Arora · Jalandhar

SOLUTION (b) 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 (₹ 1,62,000 a month)	₹ 19,44,000	
Dearness allowance (₹ 25,900 a month) — the whole of it enters retirement benefits	₹ 3,10,800	
Children education allowance (₹ 4,000 a month — for her only child, at school in Jalandhar; no hostel allowance)	₹ 48,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 23,02,800	
Less: children education allowance — not exempt under this regime [section 202(2)(a)(ii)]	₹ 0	
Net salary	₹ 23,02,800	
Less: standard deduction — ₹ 75,000, or the salary, whichever is less [section 19(1), Table Sl. No. 2]	₹ 75,000	
Less: tax on employment ₹ 2,400 — not deductible under this regime [section 202(2)(a)(iv)]	₹ 0	
Income chargeable under the head "Salaries"		**₹ 22,27,800**
INCOME FROM HOUSE PROPERTY		
Property 1 — Jalandhar — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,64,800 — not deductible under this regime [section 202(2)(a)(v)]	₹ 0	
Income from property 1		₹ 0
Property 2 — Mohali — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 2,52,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 8,400	
Annual value	₹ 2,43,600	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 73,080	
Income from property 2		₹ 1,70,520
Total of the two properties		₹ 1,70,520
Income chargeable under the head "Income from house property"		**₹ 1,70,520**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — State Bank of India [section 92]	₹ 8,600	
Interest on fixed deposits — State Bank of India, in the gross amount	₹ 46,000	
Interest on income-tax refund	₹ 2,940	
Income chargeable under the head "Income from other sources"		**₹ 57,540**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Sutlej Agro Machines Limited sold on 09/12/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,36,800	
Less: cost of acquisition (acquired in January 2024)	₹ 1,62,500	

Advocate Dr. S. B. Rathore

CASE 13.27 · Smt. Jaya Arora · SOLUTION (b) NEW REGIME, continued

Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 74,300
GROSS TOTAL INCOME [section 122(10)]		**₹ 25,30,160**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 25,30,160**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 74,300 [section 198(2)(b)]	₹ 24,55,860	
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 ₹ 55,860 — 30 per cent	₹ 16,758	
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		**₹ 3,16,758**
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]		₹ 12,670
TOTAL TAX AND CESS		**₹ 3,29,428**
TOTAL TAX, rounded off [section 516]		**₹ 3,29,430**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Doaba Sports Exports Private Limited) [section 392]	₹ 4,22,000	
Less: self-assessment tax paid on 18/07/2027 [section 266]	₹ 32,140	
Total taxes paid		**₹ 4,54,140**
REFUND DUE, rounded off [sections 431 and 437]		**₹ 1,24,710**

The figures to check

Total income ₹ 25,30,160 · Total tax ₹ 3,29,430 · Refund due ₹ 1,24,710

The new regime saves her ₹ 1,24,710 — ₹ 3,29,430 against ₹ 4,54,140 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.28 · Shri Amit Kumar Verma · Kolkata

SOLUTION (a) 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 (₹ 1,69,500 a month)	₹ 20,34,000	
Dearness allowance (₹ 25,800 a month) — the whole of it enters retirement benefits	₹ 3,09,600	
Children education allowance (₹ 7,600 a month — ₹ 3,800 a month for each of his two children, both at school in Kolkata; no hostel allowance)	₹ 91,200	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 24,34,800	
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	
Net salary	₹ 23,62,800	
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]	₹ 2,400	
Income chargeable under the head "Salaries"		**₹ 23,10,400**
INCOME FROM HOUSE PROPERTY		
Property 1 — 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 ₹ 1,78,600 — within the ceiling of ₹ 2,00,000 [section 22(1)(b)]	₹ 1,78,600	
Income from property 1		(₹ 1,78,600)
Property 2 — Siliguri — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 2,82,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 9,300	
Annual value	₹ 2,72,700	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 81,810	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 51,800	
Income from property 2		₹ 1,39,090
Total of the two properties		(₹ 39,510)
Loss set off against the other heads — within ₹ 2,00,000 [section 109(1)(b)]		
Income chargeable under the head "Income from house property"		**(₹ 39,510)**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Indian Overseas Bank [section 92]	₹ 10,900	
Interest on fixed deposits — Indian Overseas Bank, in the gross amount	₹ 48,500	
Dividend on listed equity shares of Hooghly Jute Mills Limited, in the gross amount	₹ 15,400	
Income chargeable under the head "Income from other sources"		**₹ 74,800**

Advocate Dr. S. B. Rathore

CASE 13.28 · Shri Amit Kumar Verma · SOLUTION (a) OLD REGIME, continued

LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Damodar Coke and Chemicals Limited sold on 16/12/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,71,400	
Less: cost of acquisition (acquired in April 2024)	₹ 2,08,900	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 62,500
GROSS TOTAL INCOME [section 122(10)]		**₹ 24,08,190**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 21,600, LIC premium ₹ 17,900, tuition fees — two children ₹ 56,500, housing loan principal — two loans ₹ 98,800; total ₹ 1,94,800, restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance — self and family: ₹ 23,700 paid; ceiling ₹ 25,000 [section 126]	₹ 23,700	
Health insurance — parents: ₹ 42,800 paid; ceiling ₹ 50,000, senior citizens [section 126]	₹ 42,800	
Interest on savings account — ₹ 10,900; ceiling ₹ 10,000 [section 153]	₹ 10,000	
Total of the deductions allowed		**₹ 2,26,500**
TOTAL INCOME, rounded off [section 516]		**₹ 21,81,690**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 62,500 [section 198(2)(b)]	₹ 21,19,190	
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 ₹ 11,19,190 — 30 per cent	₹ 3,35,757	
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		**₹ 4,48,257**
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]		₹ 17,930
TOTAL TAX AND CESS		**₹ 4,66,187**
TOTAL TAX, rounded off [section 516]		**₹ 4,66,190**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Sundarban Tea Exports Limited) [section 392]	₹ 4,31,000	
Less: TDS — dividend (Hooghly Jute Mills Limited) [section 393(1), Table Sl. No. 7]	₹ 1,540	
Less: self-assessment tax paid on 20/07/2027 [section 266]	₹ 33,650	
Total taxes paid		**₹ 4,66,190**
NOTHING PAYABLE, AND NO REFUND — the taxes paid equal the tax		**₹ 0**

The figures to check

Total income ₹ 21,81,690 · Total tax ₹ 4,66,190 · Nothing payable, no refund

Advocate Dr. S. B. Rathore

CASE 13.28 · Shri Amit Kumar Verma · Kolkata

SOLUTION (b) 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 (₹ 1,69,500 a month)	₹ 20,34,000	
Dearness allowance (₹ 25,800 a month) — the whole of it enters retirement benefits	₹ 3,09,600	
Children education allowance (₹ 7,600 a month — ₹ 3,800 a month for each of his two children, both at school in Kolkata; no hostel allowance)	₹ 91,200	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 24,34,800	
Less: children education allowance — not exempt under this regime [section 202(2)(a)(ii)]	₹ 0	
Net salary	₹ 24,34,800	
Less: standard deduction — ₹ 75,000, or the salary, whichever is less [section 19(1), Table Sl. No. 2]	₹ 75,000	
Less: tax on employment ₹ 2,400 — not deductible under this regime [section 202(2)(a)(iv)]	₹ 0	
Income chargeable under the head "Salaries"		**₹ 23,59,800**
INCOME FROM HOUSE PROPERTY		
Property 1 — 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 ₹ 1,78,600 — not deductible under this regime [section 202(2)(a)(v)]	₹ 0	
Income from property 1		₹ 0
Property 2 — Siliguri — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 2,82,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 9,300	
Annual value	₹ 2,72,700	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 81,810	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 51,800	
Income from property 2		₹ 1,39,090
Total of the two properties		₹ 1,39,090
Income chargeable under the head "Income from house property"		**₹ 1,39,090**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Indian Overseas Bank [section 92]	₹ 10,900	
Interest on fixed deposits — Indian Overseas Bank, in the gross amount	₹ 48,500	
Dividend on listed equity shares of Hooghly Jute Mills Limited, in the gross amount	₹ 15,400	
Income chargeable under the head "Income from other sources"		**₹ 74,800**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Damodar Coke and Chemicals Limited sold on 16/12/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,71,400	
Less: cost of acquisition (acquired in April 2024)	₹ 2,08,900	

Advocate Dr. S. B. Rathore

CASE 13.28 · Shri Amit Kumar Verma · SOLUTION (b) NEW REGIME, continued

Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 62,500
GROSS TOTAL INCOME [section 122(10)]		**₹ 26,36,190**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 26,36,190**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 62,500 [section 198(2)(b)]	₹ 25,73,690	
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 ₹ 1,73,690 — 30 per cent	₹ 52,107	
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		**₹ 3,52,107**
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]		₹ 14,084
TOTAL TAX AND CESS		**₹ 3,66,191**
TOTAL TAX, rounded off [section 516]		**₹ 3,66,190**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Sundarban Tea Exports Limited) [section 392]	₹ 4,31,000	
Less: TDS — dividend (Hooghly Jute Mills Limited) [section 393(1), Table Sl. No. 7]	₹ 1,540	
Less: self-assessment tax paid on 20/07/2027 [section 266]	₹ 33,650	
Total taxes paid		**₹ 4,66,190**
REFUND DUE, rounded off [sections 431 and 437]		**₹ 1,00,000**

The figures to check

Total income ₹ 26,36,190 · Total tax ₹ 3,66,190 · Refund due ₹ 1,00,000

The new regime saves him ₹ 1,00,000 — ₹ 3,66,190 against ₹ 4,66,190 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.29 · Smt. Tina Gupta · Bengaluru

SOLUTION (a) 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 (₹ 1,56,000 a month)	₹ 18,72,000	
Dearness allowance (₹ 31,200 a month) — the whole of it enters retirement benefits	₹ 3,74,400	
House rent allowance (₹ 29,250 a month)	₹ 3,51,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 25,97,400	
Less: house rent allowance — nothing exempt, she pays no rent [Schedule III, Table Sl. No. 11; Rule 279(1)(b)]	₹ 0	
Net salary	₹ 25,97,400	
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"		**₹ 25,44,900**
INCOME FROM HOUSE PROPERTY		
Property 1 — Bengaluru — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,89,700 — within the ceiling of ₹ 2,00,000 [section 22(1)(b)]	₹ 1,89,700	
Income from property 1		(₹ 1,89,700)
Property 2 — Mysore — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 2,94,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 10,600	
Annual value	₹ 2,83,400	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 85,020	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 63,400	
Income from property 2		₹ 1,34,980
Total of the two properties		(₹ 54,720)
Loss set off against the other heads — within ₹ 2,00,000 [section 109(1)(b)]		
Income chargeable under the head "Income from house property"		**(₹ 54,720)**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Karnataka Bank [section 92]	₹ 13,200	
Interest on fixed deposits — Karnataka Bank, in the gross amount	₹ 74,600	
Interest on income-tax refund	₹ 3,120	
Income chargeable under the head "Income from other sources"		**₹ 90,920**

Advocate Dr. S. B. Rathore

CASE 13.29 · Smt. Tina Gupta · SOLUTION (a) OLD REGIME, continued

LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Sharavathi Electronics Limited and Coorg Plantations Limited sold on 24/11/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 4,52,900	
Less: cost of acquisition (acquired in December 2021)	₹ 3,49,700	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 1,03,200
GROSS TOTAL INCOME [section 122(10)]		**₹ 26,84,300**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 2,69,568, housing loan principal — two loans ₹ 1,19,200; total ₹ 3,88,768, restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance — self and family: ₹ 22,300 paid; ceiling ₹ 25,000 [section 126]	₹ 22,300	
Health insurance — parents: ₹ 41,500 paid; ceiling ₹ 50,000, senior citizens [section 126]	₹ 41,500	
Interest on savings account — ₹ 13,200; ceiling ₹ 10,000 [section 153]	₹ 10,000	
Total of the deductions allowed		**₹ 2,23,800**
TOTAL INCOME, rounded off [section 516]		**₹ 24,60,500**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 1,03,200 [section 198(2)(b)]	₹ 23,57,300	
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 ₹ 13,57,300 — 30 per cent	₹ 4,07,190	
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		**₹ 5,19,690**
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]		₹ 20,788
TOTAL TAX AND CESS		**₹ 5,40,478**
TOTAL TAX, rounded off [section 516]		**₹ 5,40,480**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Cauvery Precision Tools Limited) [section 392]	₹ 4,96,000	
Less: TDS — FD interest (Karnataka Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 7,460	
Less: self-assessment tax paid on 24/07/2027 [section 266]	₹ 37,020	
Total taxes paid		**₹ 5,40,480**
NOTHING PAYABLE, AND NO REFUND — the taxes paid equal the tax		**₹ 0**

The figures to check

Total income ₹ 24,60,500 · Total tax ₹ 5,40,480 · Nothing payable, no refund

Advocate Dr. S. B. Rathore

CASE 13.29 · Smt. Tina Gupta · Bengaluru

SOLUTION (b) 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 (₹ 1,56,000 a month)	₹ 18,72,000	
Dearness allowance (₹ 31,200 a month) — the whole of it enters retirement benefits	₹ 3,74,400	
House rent allowance (₹ 29,250 a month)	₹ 3,51,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 25,97,400	
Less: house rent allowance — not exempt under this regime [section 202(2)(a)(i)]	₹ 0	
Net salary	₹ 25,97,400	
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"		**₹ 25,22,400**
INCOME FROM HOUSE PROPERTY		
Property 1 — Bengaluru — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,89,700 — not deductible under this regime [section 202(2)(a)(v)]	₹ 0	
Income from property 1		₹ 0
Property 2 — Mysore — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 2,94,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 10,600	
Annual value	₹ 2,83,400	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 85,020	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 63,400	
Income from property 2		₹ 1,34,980
Total of the two properties		₹ 1,34,980
Income chargeable under the head "Income from house property"		**₹ 1,34,980**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Karnataka Bank [section 92]	₹ 13,200	
Interest on fixed deposits — Karnataka Bank, in the gross amount	₹ 74,600	
Interest on income-tax refund	₹ 3,120	
Income chargeable under the head "Income from other sources"		**₹ 90,920**

Advocate Dr. S. B. Rathore

CASE 13.29 · Smt. Tina Gupta · SOLUTION (b) NEW REGIME, continued

LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Sharavathi Electronics Limited and Coorg Plantations Limited sold on 24/11/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 4,52,900	
Less: cost of acquisition (acquired in December 2021)	₹ 3,49,700	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 1,03,200
GROSS TOTAL INCOME [section 122(10)]		**₹ 28,51,500**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 28,51,500**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 1,03,200 [section 198(2)(b)]	₹ 27,48,300	
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 ₹ 3,48,300 — 30 per cent	₹ 1,04,490	
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		**₹ 4,04,490**
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]		₹ 16,180
TOTAL TAX AND CESS		**₹ 4,20,670**
TOTAL TAX, rounded off [section 516]		**₹ 4,20,670**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Cauvery Precision Tools Limited) [section 392]	₹ 4,96,000	
Less: TDS — FD interest (Karnataka Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 7,460	
Less: self-assessment tax paid on 24/07/2027 [section 266]	₹ 37,020	
Total taxes paid		**₹ 5,40,480**
REFUND DUE, rounded off [sections 431 and 437]		**₹ 1,19,810**

The figures to check

Total income ₹ 28,51,500 · Total tax ₹ 4,20,670 · Refund due ₹ 1,19,810

The new regime saves her ₹ 1,19,810 — ₹ 4,20,670 against ₹ 5,40,480 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.30 · Shri Mohd Sajid · Delhi

SOLUTION (a) 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 (₹ 85,000 a month)	₹ 10,20,000	
House rent allowance (₹ 30,000 a month)	₹ 3,60,000	
Children education allowance (₹ 5,000 a month — one child)	₹ 60,000	
Perquisite — electricity bills of his residence, the connection being in his own name, paid by the employer — an obligation of the employee met by the employer [section 17]	₹ 36,000	
Salary for the year, in the gross amount [sections 15 to 17]	₹ 14,76,000	
Less: house rent allowance — the least of the three limits; Working note A [Schedule III, Table Sl. No. 11; Rule 279]	₹ 1,98,000	
Less: children education allowance — ₹ 3,000 a month for his child [Schedule III, Table Sl. No. 13; Rule 280(2), Sl. No. 7]	₹ 36,000	
Net salary	₹ 12,42,000	
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"		**₹ 11,92,000**
INCOME FROM HOUSE PROPERTY		
Ghaziabad — 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)]	₹ 1,10,000	
Income from the property	₹ 53,800	
Income chargeable under the head "Income from house property"		**₹ 53,800**
INCOME FROM OTHER SOURCES		
Interest on fixed deposits — Punjab National Bank, in the gross amount	₹ 64,000	
Dividend on listed equity shares of Ganga Consumer Products Limited, in the gross amount	₹ 15,000	
Interest on income-tax refund	₹ 3,200	
Sums of money received without consideration from persons who are not relatives — ₹ 65,000 in all, which exceeds ₹ 50,000, so the whole is income; Working note B [section 92(2)(m)(i)]	₹ 65,000	
The ₹ 51,000 from his mother's sister — a relative, so not income [section 92(3)(a)]	₹ 0	
Income chargeable under the head "Income from other sources"		**₹ 1,47,200**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Yamuna Infra Limited sold on 16/09/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,73,000	
Less: cost of acquisition (acquired in October 2023)	₹ 2,01,400	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 71,600
GROSS TOTAL INCOME [section 122(10)]		**₹ 14,64,600**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 1,22,400, LIC premium ₹ 25,000, tuition fees — one child ₹ 30,000, housing loan principal ₹ 60,000; total ₹ 2,37,400, restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance — self and family: ₹ 22,400 paid; ceiling ₹ 25,000 [section 126]	₹ 22,400	
Health insurance — parents: ₹ 52,000 paid; restricted to the ceiling of ₹ 50,000, senior citizens [section 126]	₹ 50,000	

Advocate Dr. S. B. Rathore

Total of the deductions allowed		**₹ 2,22,400**
TOTAL INCOME, rounded off [section 516]		**₹ 12,42,200**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 71,600 [section 198(2)(b)]	₹ 11,70,600	
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 ₹ 1,70,600 — 30 per cent	₹ 51,180	
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		**₹ 1,63,680**
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]		₹ 6,547
TOTAL TAX AND CESS		**₹ 1,70,227**
TOTAL TAX, rounded off [section 516]		**₹ 1,70,230**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Yamuna Packaging Limited) [section 392]	₹ 1,15,000	
Less: TDS — FD interest (Punjab National Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 6,400	
Less: TDS — dividend (Ganga Consumer Products Limited) [section 393(1), Table Sl. No. 7]	₹ 1,500	
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]	₹ 20,000	
Total taxes paid		**₹ 1,67,900**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 2,330**

The figures to check

Total income ₹ 12,42,200 · Total tax ₹ 1,70,230 · Amount payable ₹ 2,330

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)]	₹ 10,20,000
(a) The allowance actually received [Rule 279(1)(a)]	₹ 3,60,000
(b) Rent paid ₹ 3,00,000, less one-tenth of the salary ₹ 1,02,000 [Rule 279(1)(b)]	₹ 1,98,000
(c) 50 per cent of the salary — Delhi is one of the eight places [Rule 279(1)(c)]	₹ 5,10,000
Exempt — the least of (a), (b) and (c)	**₹ 1,98,000**
Taxable — the rest of the allowance	₹ 1,62,000

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

From	Who	A relative?	Amount
Shabana Begum	his mother's sister	Yes — not income	₹ 51,000
Imran Khan	a friend	No	₹ 40,000
Rakesh Gupta	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: ₹ 65,000, which exceeds ₹ 50,000, so the whole of it is income, not the excess alone. A birthday is not an occasion the Act recognises.

Advocate Dr. S. B. Rathore

CASE 13.30 · Shri Mohd Sajid · Delhi

SOLUTION (b) 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 (₹ 85,000 a month)	₹ 10,20,000	
House rent allowance (₹ 30,000 a month)	₹ 3,60,000	
Children education allowance (₹ 5,000 a month — one child)	₹ 60,000	
Perquisite — electricity bills of his residence, the connection being in his own name, paid by the employer — an obligation of the employee met by the employer [section 17]	₹ 36,000	
Salary for the year, in the gross amount [sections 15 to 17]	₹ 14,76,000	
Less: house rent and children education allowances — not exempt under this regime [section 202(2)(a)(i) and (ii)]	₹ 0	
Net salary	₹ 14,76,000	
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"		**₹ 14,01,000**
INCOME FROM HOUSE PROPERTY		
Ghaziabad — 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)]	₹ 1,10,000	
Income from the property	₹ 53,800	
Income chargeable under the head "Income from house property"		**₹ 53,800**
INCOME FROM OTHER SOURCES		
Interest on fixed deposits — Punjab National Bank, in the gross amount	₹ 64,000	
Dividend on listed equity shares of Ganga Consumer Products Limited, in the gross amount	₹ 15,000	
Interest on income-tax refund	₹ 3,200	
Sums of money received without consideration from persons who are not relatives — ₹ 65,000 in all, which exceeds ₹ 50,000, so the whole is income; Working note B [section 92(2)(m)(i)]	₹ 65,000	
The ₹ 51,000 from his mother's sister — a relative, so not income [section 92(3)(a)]	₹ 0	
Income chargeable under the head "Income from other sources"		**₹ 1,47,200**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Yamuna Infra Limited sold on 16/09/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,73,000	
Less: cost of acquisition (acquired in October 2023)	₹ 2,01,400	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 71,600
GROSS TOTAL INCOME [section 122(10)]		**₹ 16,73,600**

Advocate Dr. S. B. Rathore

CASE 13.30 · Shri Mohd Sajid · SOLUTION (b) NEW REGIME, continued

DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123 and 126 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 16,73,600**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 71,600 [section 198(2)(b)]	₹ 16,02,000	
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 balance of ₹ 2,000 — 20 per cent	₹ 400	
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		**₹ 1,20,400**
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]		₹ 4,816
TOTAL TAX AND CESS		**₹ 1,25,216**
TOTAL TAX, rounded off [section 516]		**₹ 1,25,220**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Yamuna Packaging Limited) [section 392]	₹ 1,15,000	
Less: TDS — FD interest (Punjab National Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 6,400	
Less: TDS — dividend (Ganga Consumer Products Limited) [section 393(1), Table Sl. No. 7]	₹ 1,500	
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]	₹ 20,000	
Total taxes paid		**₹ 1,67,900**
REFUND DUE, rounded off [sections 431 and 437]		**₹ 42,680**

Advocate Dr. S. B. Rathore

The figures to check

Total income ₹ 16,73,600 · Total tax ₹ 1,25,220 · Refund due ₹ 42,680

The new regime saves him ₹ 45,010 — ₹ 1,25,220 against ₹ 1,70,230 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
Shabana Begum	his mother's sister	Yes — not income	₹ 51,000
Imran Khan	a friend	No	₹ 40,000
Rakesh Gupta	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: ₹ 65,000, which exceeds ₹ 50,000, so the whole of it is income, not the excess alone. A birthday is not an occasion the Act recognises.

CASE 13.31 · Smt. Neha Bansal · Delhi

SOLUTION (a) 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 (₹ 72,000 a month)	₹ 8,64,000	
Dearness allowance (₹ 14,400 a month) — the whole of it enters retirement benefits	₹ 1,72,800	
House rent allowance (₹ 28,000 a month)	₹ 3,36,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 13,72,800	
Less: house rent allowance — the least of the three limits; Working note A [Schedule III, Table Sl. No. 11; Rule 279]	₹ 2,08,320	
Net salary	₹ 11,64,480	
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"		**₹ 11,14,480**
INCOME FROM HOUSE PROPERTY		
Greater Noida West — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 2,16,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 4,800	
Annual value	₹ 2,11,200	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 63,360	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 1,35,000	
Income from the property	₹ 12,840	
Income chargeable under the head "Income from house property"		**₹ 12,840**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank accounts — HDFC Bank and State Bank of India [section 92]	₹ 12,600	
Interest on fixed deposits — HDFC Bank, in the gross amount	₹ 46,000	
Dividend on listed equity shares of Yamuna Agro Foods Limited, in the gross amount	₹ 8,500	
Income chargeable under the head "Income from other sources"		**₹ 67,100**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Aravali Auto Parts Limited sold on 08/12/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 1,88,000	
Less: cost of acquisition (acquired in May 2024)	₹ 1,39,500	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 48,500
GROSS TOTAL INCOME [section 122(10)]		**₹ 12,42,920**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 1,24,416, PPF ₹ 20,000, tuition fees — one child ₹ 24,000, housing loan principal ₹ 48,000; total ₹ 2,16,416, restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance — self and family: ₹ 18,600 paid; ceiling ₹ 25,000 [section 126]	₹ 18,600	

Advocate Dr. S. B. Rathore

Health insurance — parents: ₹ 26,400 paid; restricted to the ceiling of ₹ 25,000 [section 126]	₹ 25,000	
Interest on savings account — ₹ 12,600; ceiling ₹ 10,000 [section 153]	₹ 10,000	
Total of the deductions allowed		**₹ 2,03,600**
TOTAL INCOME, rounded off [section 516]		**₹ 10,39,320**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 48,500 [section 198(2)(b)]	₹ 9,90,820	
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 balance of ₹ 4,90,820 — 20 per cent	₹ 98,164	
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		**₹ 1,10,664**
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]		₹ 4,427
TOTAL TAX AND CESS		**₹ 1,15,091**
TOTAL TAX, rounded off [section 516]		**₹ 1,15,090**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Aravali Tech Solutions Limited) [section 392]	₹ 1,02,000	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 10,000	
Total taxes paid		**₹ 1,12,000**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 3,090**

The figures to check

Total income ₹ 10,39,320 · Total tax ₹ 1,15,090 · Amount payable ₹ 3,090

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)]	₹ 10,36,800
(a) The allowance actually received [Rule 279(1)(a)]	₹ 3,36,000
(b) Rent paid ₹ 3,12,000, less one-tenth of the salary ₹ 1,03,680 [Rule 279(1)(b)]	₹ 2,08,320
(c) 50 per cent of the salary — Delhi is one of the eight places [Rule 279(1)(c)]	₹ 5,18,400
Exempt — the least of (a), (b) and (c)	**₹ 2,08,320**
Taxable — the rest of the allowance	₹ 1,27,680

Advocate Dr. S. B. Rathore

CASE 13.31 · Smt. Neha Bansal · Delhi

SOLUTION (b) 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 (₹ 72,000 a month)	₹ 8,64,000	
Dearness allowance (₹ 14,400 a month) — the whole of it enters retirement benefits	₹ 1,72,800	
House rent allowance (₹ 28,000 a month)	₹ 3,36,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 13,72,800	
Less: house rent allowance — not exempt under this regime [section 202(2)(a)(i)]	₹ 0	
Net salary	₹ 13,72,800	
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"		**₹ 12,97,800**
INCOME FROM HOUSE PROPERTY		
Greater Noida West — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 2,16,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 4,800	
Annual value	₹ 2,11,200	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 63,360	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 1,35,000	
Income from the property	₹ 12,840	
Income chargeable under the head "Income from house property"		**₹ 12,840**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank accounts — HDFC Bank and State Bank of India [section 92]	₹ 12,600	
Interest on fixed deposits — HDFC Bank, in the gross amount	₹ 46,000	
Dividend on listed equity shares of Yamuna Agro Foods Limited, in the gross amount	₹ 8,500	
Income chargeable under the head "Income from other sources"		**₹ 67,100**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Aravali Auto Parts Limited sold on 08/12/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 1,88,000	
Less: cost of acquisition (acquired in May 2024)	₹ 1,39,500	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 48,500
GROSS TOTAL INCOME [section 122(10)]		**₹ 14,26,240**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 14,26,240**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 48,500 [section 198(2)(b)]	₹ 13,77,740	
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 balance of ₹ 1,77,740 — 15 per cent	₹ 26,661	
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		**₹ 86,661**
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]		₹ 3,466
TOTAL TAX AND CESS		**₹ 90,127**
TOTAL TAX, rounded off [section 516]		**₹ 90,130**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Aravali Tech Solutions Limited) [section 392]	₹ 1,02,000	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 10,000	
Total taxes paid		**₹ 1,12,000**
REFUND DUE, rounded off [sections 431 and 437]		**₹ 21,870**

The figures to check

Total income ₹ 14,26,240 · Total tax ₹ 90,130 · Refund due ₹ 21,870

The new regime saves her ₹ 24,960 — ₹ 90,130 against ₹ 1,15,090 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.32 · Shri Ravi Kumar Verma · New Delhi

SOLUTION (a) 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	
Dearness allowance (₹ 16,000 a month) — the whole of it enters retirement benefits	₹ 1,92,000	
Children education allowance (₹ 4,000 a month for each of his two children)	₹ 96,000	
House rent allowance (₹ 18,000 a month) — he lives in his own house and pays no rent	₹ 2,16,000	
Perquisite — electricity and water bills of his house, the connections being in his own name, paid by the employer — an obligation of the employee met by the employer [section 17]	₹ 30,000	
Salary for the year, in the gross amount [sections 15 to 17]	₹ 14,94,000	
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: house rent allowance — nothing exempt, he pays no rent [Schedule III, Table Sl. No. 11; Rule 279(1)(b)]	₹ 0	
Net salary	₹ 14,22,000	
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"		**₹ 13,72,000**
INCOME FROM HOUSE PROPERTY		
Mayur Vihar Phase II, New Delhi — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,60,000 — within the ceiling of ₹ 2,00,000 [section 22(1)(b)]	₹ 1,60,000	
Income from the property	(₹ 1,60,000)	
Loss set off against the other heads — within ₹ 2,00,000 [section 109(1)(b)]		
Income chargeable under the head "Income from house property"		**(₹ 1,60,000)**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — State Bank of India [section 92]	₹ 12,000	
Interest on fixed deposits — State Bank of India, in the gross amount	₹ 58,000	
Income chargeable under the head "Income from other sources"		**₹ 70,000**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Yamuna Power Equipment Limited sold on 20/10/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,98,000	
Less: cost of acquisition (acquired in February 2023)	₹ 2,14,700	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 83,300
GROSS TOTAL INCOME [section 122(10)]		**₹ 13,65,300**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 86,400, LIC premium ₹ 24,000, housing loan principal ₹ 1,58,500; total ₹ 2,68,900, restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance — self and family: ₹ 22,000 paid; ceiling ₹ 25,000 [section 126]	₹ 22,000	
Interest on savings account — ₹ 12,000; ceiling ₹ 10,000 [section 153]	₹ 10,000	
Total of the deductions allowed		**₹ 1,82,000**
TOTAL INCOME, rounded off [section 516]		**₹ 11,83,300**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 83,300 [section 198(2)(b)]	₹ 11,00,000	
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 ₹ 1,00,000 — 30 per cent	₹ 30,000	
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		**₹ 1,42,500**
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]		₹ 5,700
TOTAL TAX AND CESS		**₹ 1,48,200**
TOTAL TAX, rounded off [section 516]		**₹ 1,48,200**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Yamuna Electricals Private Limited) [section 392]	₹ 96,560	
Less: TDS — FD interest (State Bank of India) [section 393(1), Table Sl. No. 5(ii)]	₹ 5,800	
Total taxes paid		**₹ 1,02,360**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 45,840**

The figures to check

Total income ₹ 11,83,300 · Total tax ₹ 1,48,200 · Amount payable ₹ 45,840

Advocate Dr. S. B. Rathore

CASE 13.32 · Shri Ravi Kumar Verma · New Delhi

SOLUTION (b) 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	
Dearness allowance (₹ 16,000 a month) — the whole of it enters retirement benefits	₹ 1,92,000	
Children education allowance (₹ 4,000 a month for each of his two children)	₹ 96,000	
House rent allowance (₹ 18,000 a month) — he lives in his own house and pays no rent	₹ 2,16,000	
Perquisite — electricity and water bills of his house, the connections being in his own name, paid by the employer — an obligation of the employee met by the employer [section 17]	₹ 30,000	
Salary for the year, in the gross amount [sections 15 to 17]	₹ 14,94,000	
Less: house rent and children education allowances — not exempt under this regime [section 202(2)(a)(i) and (ii)]	₹ 0	
Net salary	₹ 14,94,000	
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"		**₹ 14,19,000**
INCOME FROM HOUSE PROPERTY		
Mayur Vihar Phase II, New Delhi — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,60,000 — not deductible under this regime [section 202(2)(a)(v)]	₹ 0	
Income from the property	₹ 0	
Income chargeable under the head "Income from house property"		**₹ 0**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — State Bank of India [section 92]	₹ 12,000	
Interest on fixed deposits — State Bank of India, in the gross amount	₹ 58,000	
Income chargeable under the head "Income from other sources"		**₹ 70,000**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Yamuna Power Equipment Limited sold on 20/10/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,98,000	
Less: cost of acquisition (acquired in February 2023)	₹ 2,14,700	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 83,300
GROSS TOTAL INCOME [section 122(10)]		**₹ 15,72,300**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 15,72,300**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 83,300 [section 198(2)(b)]	₹ 14,89,000	
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 balance of ₹ 2,89,000 — 15 per cent	₹ 43,350	
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		**₹ 1,03,350**
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]		₹ 4,134
TOTAL TAX AND CESS		**₹ 1,07,484**
TOTAL TAX, rounded off [section 516]		**₹ 1,07,480**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Yamuna Electricals Private Limited) [section 392]	₹ 96,560	
Less: TDS — FD interest (State Bank of India) [section 393(1), Table Sl. No. 5(ii)]	₹ 5,800	
Total taxes paid		**₹ 1,02,360**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 5,120**

The figures to check

Total income ₹ 15,72,300 · Total tax ₹ 1,07,480 · Amount payable ₹ 5,120

The new regime saves him ₹ 40,720 — ₹ 1,07,480 against ₹ 1,48,200 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.33 · Smt. Sunita Sharma · Noida

SOLUTION (a) 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 (₹ 70,000 a month)	₹ 8,40,000	
Medical allowance (₹ 1,500 a month) — fully taxable	₹ 18,000	
Uniform allowance (₹ 2,000 a month) — ₹ 20,000 spent on uniforms worn on official duty	₹ 24,000	
Special allowance (₹ 18,000 a month)	₹ 2,16,000	
Perquisite — rent-free unfurnished flat at Noida owned by the employer, the value as shown by the employer in Form No. 130 [section 17]	₹ 53,900	
Salary for the year, in the gross amount [sections 15 to 17]	₹ 11,51,900	
Less: uniform allowance — the ₹ 20,000 spent on uniforms worn in the performance of duties [Schedule III, Table Sl. No. 12; Rule 280(1)(g)]	₹ 20,000	
Net salary	₹ 11,31,900	
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"		**₹ 10,81,900**
INCOME FROM HOUSE PROPERTY		
Indirapuram, Ghaziabad — 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)]	₹ 8,000	
Annual value	₹ 2,32,000	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 69,600	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 90,000	
Income from the property	₹ 72,400	
Income chargeable under the head "Income from house property"		**₹ 72,400**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Punjab National Bank [section 92]	₹ 9,500	
Interest on fixed deposits — Punjab National Bank, in the gross amount	₹ 62,000	
Income chargeable under the head "Income from other sources"		**₹ 71,500**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Ganga Polymers Limited sold on 06/08/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,42,000	
Less: cost of acquisition (acquired in September 2022)	₹ 1,79,200	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 62,800
GROSS TOTAL INCOME [section 122(10)]		**₹ 12,88,600**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 75,600, PPF ₹ 40,000, housing loan principal ₹ 1,06,000; total ₹ 2,21,600, restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance — self and family: ₹ 18,000 paid; ceiling ₹ 25,000 [section 126]	₹ 18,000	
Interest on savings account — ₹ 9,500; ceiling ₹ 10,000 [section 153]	₹ 9,500	
Total of the deductions allowed		**₹ 1,77,500**
TOTAL INCOME, rounded off [section 516]		**₹ 11,11,100**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 62,800 [section 198(2)(b)]	₹ 10,48,300	
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 ₹ 48,300 — 30 per cent	₹ 14,490	
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		**₹ 1,26,990**
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]		₹ 5,080
TOTAL TAX AND CESS		**₹ 1,32,070**
TOTAL TAX, rounded off [section 516]		**₹ 1,32,070**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — FD interest (Punjab National Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 6,200	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 50,000	
Total taxes paid		**₹ 56,200**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 75,870**

The figures to check

Total income ₹ 11,11,100 · Total tax ₹ 1,32,070 · Amount payable ₹ 75,870

Advocate Dr. S. B. Rathore

CASE 13.33 · Smt. Sunita Sharma · Noida

SOLUTION (b) 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 (₹ 70,000 a month)	₹ 8,40,000	
Medical allowance (₹ 1,500 a month) — fully taxable	₹ 18,000	
Uniform allowance (₹ 2,000 a month) — ₹ 20,000 spent on uniforms worn on official duty	₹ 24,000	
Special allowance (₹ 18,000 a month)	₹ 2,16,000	
Perquisite — rent-free unfurnished flat at Noida owned by the employer, the value as shown by the employer in Form No. 130 [section 17]	₹ 53,900	
Salary for the year, in the gross amount [sections 15 to 17]	₹ 11,51,900	
Less: uniform allowance — not exempt under this regime [section 202(2)(a)(ii)]	₹ 0	
Net salary	₹ 11,51,900	
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"		**₹ 10,76,900**
INCOME FROM HOUSE PROPERTY		
Indirapuram, Ghaziabad — 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)]	₹ 8,000	
Annual value	₹ 2,32,000	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 69,600	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 90,000	
Income from the property	₹ 72,400	
Income chargeable under the head "Income from house property"		**₹ 72,400**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Punjab National Bank [section 92]	₹ 9,500	
Interest on fixed deposits — Punjab National Bank, in the gross amount	₹ 62,000	
Income chargeable under the head "Income from other sources"		**₹ 71,500**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Ganga Polymers Limited sold on 06/08/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,42,000	
Less: cost of acquisition (acquired in September 2022)	₹ 1,79,200	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 62,800
GROSS TOTAL INCOME [section 122(10)]		**₹ 12,83,600**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 12,83,600**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 62,800 [section 198(2)(b)]	₹ 12,20,800	
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 balance of ₹ 20,800 — 15 per cent	₹ 3,120	
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		**₹ 63,120**
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]		₹ 2,525
TOTAL TAX AND CESS		**₹ 65,645**
TOTAL TAX, rounded off [section 516]		**₹ 65,650**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — FD interest (Punjab National Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 6,200	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 50,000	
Total taxes paid		**₹ 56,200**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 9,450**

The figures to check

Total income ₹ 12,83,600 · Total tax ₹ 65,650 · Amount payable ₹ 9,450

The new regime saves her ₹ 66,420 — ₹ 65,650 against ₹ 1,32,070 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.34 · Shri Amit Khanna · New Delhi

SOLUTION (a) 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 (₹ 60,000 a month)	₹ 7,20,000	
House rent allowance (₹ 25,000 a month)	₹ 3,00,000	
Conveyance allowance (₹ 3,000 a month) — ₹ 30,000 spent on travel for official work	₹ 36,000	
Special allowance (₹ 25,000 a month)	₹ 3,00,000	
Perquisite — club membership fee and club bills paid by the employer [section 17]	₹ 24,000	
Mobile phone bills paid by the employer, ₹ 12,000 — not a taxable perquisite, left out	₹ 0	
Salary for the year, in the gross amount [sections 15 to 17]	₹ 13,80,000	
Less: conveyance allowance — the ₹ 30,000 spent in the performance of duties [Schedule III, Table Sl. No. 12; Rule 280(1)(d)]	₹ 30,000	
Less: house rent allowance — the least of the three limits; Working note A [Schedule III, Table Sl. No. 11; Rule 279]	₹ 1,92,000	
Net salary	₹ 11,58,000	
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"		**₹ 11,08,000**
INCOME FROM HOUSE PROPERTY		
Sahibabad — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 1,62,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 3,600	
Annual value	₹ 1,58,400	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 47,520	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 88,000	
Income from the property	₹ 22,880	
Income chargeable under the head "Income from house property"		**₹ 22,880**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — HDFC Bank [section 92]	₹ 8,000	
Interest on fixed deposits — HDFC Bank, in the gross amount	₹ 54,000	
Income chargeable under the head "Income from other sources"		**₹ 62,000**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Indraprastha Software Limited sold on 25/11/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,16,000	
Less: cost of acquisition (acquired in January 2024)	₹ 1,61,600	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 54,400
GROSS TOTAL INCOME [section 122(10)]		**₹ 12,47,280**

Advocate Dr. S. B. Rathore

CASE 13.34 · Shri Amit Khanna · SOLUTION (a) OLD REGIME, continued

DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 86,400, ELSS units ₹ 25,000, housing loan principal ₹ 42,000; total ₹ 1,53,400, restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance — himself: ₹ 15,000 paid; ceiling ₹ 25,000 [section 126]	₹ 15,000	
Interest on savings account — ₹ 8,000; ceiling ₹ 10,000 [section 153]	₹ 8,000	
Total of the deductions allowed		**₹ 1,73,000**
TOTAL INCOME, rounded off [section 516]		**₹ 10,74,280**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 54,400 [section 198(2)(b)]	₹ 10,19,880	
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 ₹ 19,880 — 30 per cent	₹ 5,964	
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		**₹ 1,18,464**
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]		₹ 4,739
TOTAL TAX AND CESS		**₹ 1,23,203**
TOTAL TAX, rounded off [section 516]		**₹ 1,23,200**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Indraprastha Fintech Private Limited) [section 392]	₹ 78,780	
Less: TDS — FD interest (HDFC Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 5,400	
Total taxes paid		**₹ 84,180**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 39,020**

The figures to check

Total income ₹ 10,74,280 · Total tax ₹ 1,23,200 · Amount payable ₹ 39,020

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)]	₹ 7,20,000
(a) The allowance actually received [Rule 279(1)(a)]	₹ 3,00,000
(b) Rent paid ₹ 2,64,000, less one-tenth of the salary ₹ 72,000 [Rule 279(1)(b)]	₹ 1,92,000
(c) 50 per cent of the salary — Delhi is one of the eight places [Rule 279(1)(c)]	₹ 3,60,000
Exempt — the least of (a), (b) and (c)	**₹ 1,92,000**
Taxable — the rest of the allowance	₹ 1,08,000

Advocate Dr. S. B. Rathore

CASE 13.34 · Shri Amit Khanna · New Delhi

SOLUTION (b) 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 (₹ 60,000 a month)	₹ 7,20,000	
House rent allowance (₹ 25,000 a month)	₹ 3,00,000	
Conveyance allowance (₹ 3,000 a month) — ₹ 30,000 spent on travel for official work	₹ 36,000	
Special allowance (₹ 25,000 a month)	₹ 3,00,000	
Perquisite — club membership fee and club bills paid by the employer [section 17]	₹ 24,000	
Mobile phone bills paid by the employer, ₹ 12,000 — not a taxable perquisite, left out	₹ 0	
Salary for the year, in the gross amount [sections 15 to 17]	₹ 13,80,000	
Less: conveyance allowance — the ₹ 30,000 spent in the performance of duties, kept under this regime [Schedule III, Table Sl. No. 12; Rule 280(1)(d) and (3)]	₹ 30,000	
Less: house rent allowance — not exempt under this regime [section 202(2)(a)(i)]	₹ 0	
Net salary	₹ 13,50,000	
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"		**₹ 12,75,000**
INCOME FROM HOUSE PROPERTY		
Sahibabad — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 1,62,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 3,600	
Annual value	₹ 1,58,400	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 47,520	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 88,000	
Income from the property	₹ 22,880	
Income chargeable under the head "Income from house property"		**₹ 22,880**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — HDFC Bank [section 92]	₹ 8,000	
Interest on fixed deposits — HDFC Bank, in the gross amount	₹ 54,000	
Income chargeable under the head "Income from other sources"		**₹ 62,000**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Indraprastha Software Limited sold on 25/11/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,16,000	
Less: cost of acquisition (acquired in January 2024)	₹ 1,61,600	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 54,400
GROSS TOTAL INCOME [section 122(10)]		**₹ 14,14,280**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 14,14,280**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 54,400 [section 198(2)(b)]	₹ 13,59,880	
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 balance of ₹ 1,59,880 — 15 per cent	₹ 23,982	
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		**₹ 83,982**
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]		₹ 3,359
TOTAL TAX AND CESS		**₹ 87,341**
TOTAL TAX, rounded off [section 516]		**₹ 87,340**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Indraprastha Fintech Private Limited) [section 392]	₹ 78,780	
Less: TDS — FD interest (HDFC Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 5,400	
Total taxes paid		**₹ 84,180**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 3,160**

The figures to check

Total income ₹ 14,14,280 · Total tax ₹ 87,340 · Amount payable ₹ 3,160

The new regime saves him ₹ 35,860 — ₹ 87,340 against ₹ 1,23,200 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.35 · Shri Om Prakash Gupta · Ghaziabad

SOLUTION (a) 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 — the column for a senior citizen, aged sixty years or more. 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 (₹ 50,000 a month)	₹ 6,00,000	
Dearness allowance (₹ 5,000 a month) — not forming part of retirement benefits	₹ 60,000	
House rent allowance (₹ 10,000 a month)	₹ 1,20,000	
Helper allowance (₹ 3,000 a month) — ₹ 24,000 spent on a helper for official work	₹ 36,000	
Perquisite — salary of a gardener at his house paid by the employer, he being a specified employee (salary above ₹ 4,00,000) [section 17]	₹ 48,000	
Health insurance premium for him paid by the employer, ₹ 20,000 — not a taxable perquisite, left out	₹ 0	
Salary for the year, in the gross amount [sections 15 to 17]	₹ 8,64,000	
Less: house rent allowance — the least of the three limits; Working note A [Schedule III, Table Sl. No. 11; Rule 279]	₹ 84,000	
Less: helper allowance — the ₹ 24,000 spent on a helper in the performance of duties [Schedule III, Table Sl. No. 12; Rule 280(1)(e)]	₹ 24,000	
Net salary	₹ 7,56,000	
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"		**₹ 7,06,000**
INCOME FROM HOUSE PROPERTY		
Meerut — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 1,44,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 3,600	
Annual value	₹ 1,40,400	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 42,120	
Income from the property	₹ 98,280	
Income chargeable under the head "Income from house property"		**₹ 98,280**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Punjab National Bank [section 92]	₹ 20,000	
Interest on fixed deposits — Canara Bank, in the gross amount	₹ 1,60,000	
Interest on the Senior Citizens' Savings Scheme account — Kavi Nagar Post Office	₹ 80,000	
Income chargeable under the head "Income from other sources"		**₹ 2,60,000**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Hindon Wires Limited sold on 12/06/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 3,58,000	
Less: cost of acquisition (acquired in July 2020)	₹ 2,49,000	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 1,09,000

Advocate Dr. S. B. Rathore

CASE 13.35 · Shri Om Prakash Gupta · SOLUTION (a) OLD REGIME, continued

GROSS TOTAL INCOME [section 122(10)]		**₹ 11,73,280**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — five-year tax-saver term deposit with Punjab National Bank ₹ 1,00,000, within ₹ 1,50,000 [section 123]	₹ 1,00,000	
Health insurance — himself: ₹ 38,000 paid; ceiling ₹ 50,000, senior citizen [section 126]	₹ 38,000	
Interest on deposits, senior citizen — savings account ₹ 20,000, fixed deposits ₹ 1,60,000, Senior Citizens' Savings Scheme ₹ 80,000; total ₹ 2,60,000, ceiling ₹ 50,000 [section 153]	₹ 50,000	
Total of the deductions allowed		**₹ 1,88,000**
TOTAL INCOME, rounded off [section 516]		**₹ 9,85,280**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 1,09,000 [section 198(2)(b)]	₹ 8,76,280	
On the first ₹ 3,00,000 — Nil [Paragraph A, Part I-B, First Schedule, Finance Act, 2026]	Nil	
On the next ₹ 2,00,000 — 5 per cent	₹ 10,000	
On the balance of ₹ 3,76,280 — 20 per cent	₹ 75,256	
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		**₹ 85,256**
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]		₹ 3,410
TOTAL TAX AND CESS		**₹ 88,666**
TOTAL TAX, rounded off [section 516]		**₹ 88,670**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — FD interest (Canara Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 16,000	
Total taxes paid		**₹ 16,000**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 72,670**

Advocate Dr. S. B. Rathore

The figures to check

Total income ₹ 9,85,280 · Total tax ₹ 88,670 · Amount payable ₹ 72,670

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 only — the dearness allowance does not enter retirement benefits [Rule 279(2)(b)]	₹ 6,00,000
(a) The allowance actually received [Rule 279(1)(a)]	₹ 1,20,000
(b) Rent paid ₹ 1,44,000, less one-tenth of the salary ₹ 60,000 [Rule 279(1)(b)]	₹ 84,000
(c) 40 per cent of the salary — Ghaziabad is not one of the eight places [Rule 279(1)(c)]	₹ 2,40,000
Exempt — the least of (a), (b) and (c)	**₹ 84,000**
Taxable — the rest of the allowance	₹ 36,000

CASE 13.35 · Shri Om Prakash Gupta · Ghaziabad

SOLUTION (b) 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 (₹ 50,000 a month)	₹ 6,00,000	
Dearness allowance (₹ 5,000 a month) — not forming part of retirement benefits	₹ 60,000	
House rent allowance (₹ 10,000 a month)	₹ 1,20,000	
Helper allowance (₹ 3,000 a month) — ₹ 24,000 spent on a helper for official work	₹ 36,000	
Perquisite — salary of a gardener at his house paid by the employer, he being a specified employee (salary above ₹ 4,00,000) [section 17]	₹ 48,000	
Health insurance premium for him paid by the employer, ₹ 20,000 — not a taxable perquisite, left out	₹ 0	
Salary for the year, in the gross amount [sections 15 to 17]	₹ 8,64,000	
Less: house rent and helper allowances — not exempt under this regime [section 202(2)(a)(i) and (ii)]	₹ 0	
Net salary	₹ 8,64,000	
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"		**₹ 7,89,000**
INCOME FROM HOUSE PROPERTY		
Meerut — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 1,44,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 3,600	
Annual value	₹ 1,40,400	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 42,120	
Income from the property	₹ 98,280	
Income chargeable under the head "Income from house property"		**₹ 98,280**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Punjab National Bank [section 92]	₹ 20,000	
Interest on fixed deposits — Canara Bank, in the gross amount	₹ 1,60,000	
Interest on the Senior Citizens' Savings Scheme account — Kavi Nagar Post Office	₹ 80,000	
Income chargeable under the head "Income from other sources"		**₹ 2,60,000**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Hindon Wires Limited sold on 12/06/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 3,58,000	
Less: cost of acquisition (acquired in July 2020)	₹ 2,49,000	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 1,09,000
GROSS TOTAL INCOME [section 122(10)]		**₹ 12,56,280**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 12,56,280**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 1,09,000 [section 198(2)(b)]	₹ 11,47,280	
On the first ₹ 4,00,000 — Nil [section 202(1)]	Nil	
On the next ₹ 4,00,000 — 5 per cent	₹ 20,000	
On the balance of ₹ 3,47,280 — 10 per cent	₹ 34,728	
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		**₹ 54,728**
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]		₹ 2,189
TOTAL TAX AND CESS		**₹ 56,917**
TOTAL TAX, rounded off [section 516]		**₹ 56,920**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — FD interest (Canara Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 16,000	
Total taxes paid		**₹ 16,000**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 40,920**

The figures to check

Total income ₹ 12,56,280 · Total tax ₹ 56,920 · Amount payable ₹ 40,920

The new regime saves him ₹ 31,750 — ₹ 56,920 against ₹ 88,670 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.36 · Smt. Megha Bansal · Gurugram

SOLUTION (a) 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 (₹ 90,000 a month)	₹ 10,80,000	
Children education allowance (₹ 3,500 a month for each of her two children)	₹ 84,000	
House rent allowance (₹ 20,000 a month) — she lives in her own house and pays no rent	₹ 2,40,000	
Special allowance (₹ 20,000 a month)	₹ 2,40,000	
Perquisite — gas, electricity and water bills of her house, the connections being in her own name, paid by the employer — an obligation of the employee met by the employer [section 17]	₹ 36,000	
Salary for the year, in the gross amount [sections 15 to 17]	₹ 16,80,000	
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]	₹ 72,000	
Less: house rent allowance — nothing exempt, she pays no rent [Schedule III, Table Sl. No. 11; Rule 279(1)(b)]	₹ 0	
Net salary	₹ 16,08,000	
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"		**₹ 15,58,000**
INCOME FROM HOUSE PROPERTY		
Sector 46, Gurugram — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 2,20,000 — restricted to the ceiling of ₹ 2,00,000 [section 22(1)(b)]	₹ 2,00,000	
Income from the property	(₹ 2,00,000)	
Loss set off against the other heads — within ₹ 2,00,000 [section 109(1)(b)]		
Income chargeable under the head "Income from house property"		**(₹ 2,00,000)**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — ICICI Bank [section 92]	₹ 14,000	
Interest on fixed deposits — ICICI Bank, in the gross amount	₹ 60,000	
Income chargeable under the head "Income from other sources"		**₹ 74,000**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Aravali Electronics Limited sold on 27/02/2027, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 3,26,000	
Less: cost of acquisition (acquired in March 2023)	₹ 2,38,500	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 87,500
GROSS TOTAL INCOME [section 122(10)]		**₹ 15,19,500**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 1,00,800, LIC premium ₹ 30,000, housing loan principal ₹ 1,95,200; total ₹ 3,26,000, restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance — self and family: ₹ 24,000 paid; ceiling ₹ 25,000 [section 126]	₹ 24,000	
Health insurance — parents: ₹ 45,000 paid; ceiling ₹ 50,000, senior citizens [section 126]	₹ 45,000	
Interest on savings account — ₹ 14,000; ceiling ₹ 10,000 [section 153]	₹ 10,000	
Total of the deductions allowed		**₹ 2,29,000**
TOTAL INCOME, rounded off [section 516]		**₹ 12,90,500**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 87,500 [section 198(2)(b)]	₹ 12,03,000	
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 ₹ 2,03,000 — 30 per cent	₹ 60,900	
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		**₹ 1,73,400**
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]		₹ 6,936
TOTAL TAX AND CESS		**₹ 1,80,336**
TOTAL TAX, rounded off [section 516]		**₹ 1,80,340**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Aravali Motors Limited) [section 392]	₹ 1,25,840	
Less: TDS — FD interest (ICICI Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 6,000	
Total taxes paid		**₹ 1,31,840**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 48,500**

The figures to check

Total income ₹ 12,90,500 · Total tax ₹ 1,80,340 · Amount payable ₹ 48,500

Advocate Dr. S. B. Rathore

CASE 13.36 · Smt. Megha Bansal · Gurugram

SOLUTION (b) 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 (₹ 90,000 a month)	₹ 10,80,000	
Children education allowance (₹ 3,500 a month for each of her two children)	₹ 84,000	
House rent allowance (₹ 20,000 a month) — she lives in her own house and pays no rent	₹ 2,40,000	
Special allowance (₹ 20,000 a month)	₹ 2,40,000	
Perquisite — gas, electricity and water bills of her house, the connections being in her own name, paid by the employer — an obligation of the employee met by the employer [section 17]	₹ 36,000	
Salary for the year, in the gross amount [sections 15 to 17]	₹ 16,80,000	
Less: house rent and children education allowances — not exempt under this regime [section 202(2)(a)(i) and (ii)]	₹ 0	
Net salary	₹ 16,80,000	
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"		**₹ 16,05,000**
INCOME FROM HOUSE PROPERTY		
Sector 46, Gurugram — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 2,20,000 — not deductible under this regime [section 202(2)(a)(v)]	₹ 0	
Income from the property	₹ 0	
Income chargeable under the head "Income from house property"		**₹ 0**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — ICICI Bank [section 92]	₹ 14,000	
Interest on fixed deposits — ICICI Bank, in the gross amount	₹ 60,000	
Income chargeable under the head "Income from other sources"		**₹ 74,000**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Aravali Electronics Limited sold on 27/02/2027, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 3,26,000	
Less: cost of acquisition (acquired in March 2023)	₹ 2,38,500	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 87,500
GROSS TOTAL INCOME [section 122(10)]		**₹ 17,66,500**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 17,66,500**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 87,500 [section 198(2)(b)]	₹ 16,79,000	
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 balance of ₹ 79,000 — 20 per cent	₹ 15,800	
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		**₹ 1,35,800**
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]		₹ 5,432
TOTAL TAX AND CESS		**₹ 1,41,232**
TOTAL TAX, rounded off [section 516]		**₹ 1,41,230**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Aravali Motors Limited) [section 392]	₹ 1,25,840	
Less: TDS — FD interest (ICICI Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 6,000	
Total taxes paid		**₹ 1,31,840**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 9,390**

The figures to check

Total income ₹ 17,66,500 · Total tax ₹ 1,41,230 · Amount payable ₹ 9,390

The new regime saves her ₹ 39,110 — ₹ 1,41,230 against ₹ 1,80,340 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.37 · Shri Rahul Deshmukh · Mumbai

SOLUTION (a) 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	
Conveyance allowance (₹ 5,000 a month) — ₹ 48,000 spent on travel for official work	₹ 60,000	
Overtime allowance	₹ 42,000	
Perquisite — rent-free unfurnished flat at Goregaon, Mumbai owned by the employer, the value as shown by the employer in Form No. 130 [section 17]	₹ 1,13,400	
Salary for the year, in the gross amount [sections 15 to 17]	₹ 12,95,400	
Less: conveyance allowance — the ₹ 48,000 spent in the performance of duties [Schedule III, Table Sl. No. 12; Rule 280(1)(d)]	₹ 48,000	
Net salary	₹ 12,47,400	
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"		**₹ 11,94,900**
INCOME FROM HOUSE PROPERTY		
Vasant Vihar, Thane — 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)]	₹ 12,000	
Annual value	₹ 2,88,000	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 86,400	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 1,10,000	
Income from the property	₹ 91,600	
Income chargeable under the head "Income from house property"		**₹ 91,600**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Bank of Baroda [section 92]	₹ 11,000	
Interest on fixed deposits — Bank of Baroda, in the gross amount	₹ 65,000	
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 ₹ 51,000 from his mother's brother — a relative, so not income [section 92(3)(a)]	₹ 0	
Income chargeable under the head "Income from other sources"		**₹ 1,31,000**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Konkan Shipyard Limited sold on 04/09/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,64,000	
Less: cost of acquisition (acquired in August 2023)	₹ 1,90,100	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 73,900
GROSS TOTAL INCOME [section 122(10)]		**₹ 14,91,400**

Advocate Dr. S. B. Rathore

CASE 13.37 · Shri Rahul Deshmukh · SOLUTION (a) OLD REGIME, continued

DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 90,000, PPF ₹ 50,000, housing loan principal ₹ 1,06,200; total ₹ 2,46,200, restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance — self and family: ₹ 20,000 paid; ceiling ₹ 25,000 [section 126]	₹ 20,000	
Interest on savings account — ₹ 11,000; ceiling ₹ 10,000 [section 153]	₹ 10,000	
Total of the deductions allowed		**₹ 1,80,000**
TOTAL INCOME, rounded off [section 516]		**₹ 13,11,400**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 73,900 [section 198(2)(b)]	₹ 12,37,500	
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 ₹ 2,37,500 — 30 per cent	₹ 71,250	
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		**₹ 1,83,750**
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]		₹ 7,350
TOTAL TAX AND CESS		**₹ 1,91,100**
TOTAL TAX, rounded off [section 516]		**₹ 1,91,100**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Konkan Logistics Limited) [section 392]	₹ 1,27,890	
Less: TDS — FD interest (Bank of Baroda) [section 393(1), Table Sl. No. 5(ii)]	₹ 6,500	
Total taxes paid		**₹ 1,34,390**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 56,710**

The figures to check

Total income ₹ 13,11,400 · Total tax ₹ 1,91,100 · Amount payable ₹ 56,710

Working notes

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

From	Who	A relative?	Amount
Shri Mohan Joshi	his mother's brother	Yes — not income	₹ 51,000
Shri Nitin Kale	a friend	No	₹ 55,000

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.

Advocate Dr. S. B. Rathore

CASE 13.37 · Shri Rahul Deshmukh · Mumbai

SOLUTION (b) 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	
Conveyance allowance (₹ 5,000 a month) — ₹ 48,000 spent on travel for official work	₹ 60,000	
Overtime allowance	₹ 42,000	
Perquisite — rent-free unfurnished flat at Goregaon, Mumbai owned by the employer, the value as shown by the employer in Form No. 130 [section 17]	₹ 1,13,400	
Salary for the year, in the gross amount [sections 15 to 17]	₹ 12,95,400	
Less: conveyance allowance — the ₹ 48,000 spent in the performance of duties, kept under this regime [Schedule III, Table Sl. No. 12; Rule 280(1)(d) and (3)]	₹ 48,000	
Net salary	₹ 12,47,400	
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"		**₹ 11,72,400**
INCOME FROM HOUSE PROPERTY		
Vasant Vihar, Thane — 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)]	₹ 12,000	
Annual value	₹ 2,88,000	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 86,400	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 1,10,000	
Income from the property	₹ 91,600	
Income chargeable under the head "Income from house property"		**₹ 91,600**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Bank of Baroda [section 92]	₹ 11,000	
Interest on fixed deposits — Bank of Baroda, in the gross amount	₹ 65,000	
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 ₹ 51,000 from his mother's brother — a relative, so not income [section 92(3)(a)]	₹ 0	
Income chargeable under the head "Income from other sources"		**₹ 1,31,000**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Konkan Shipyard Limited sold on 04/09/2026, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,64,000	
Less: cost of acquisition (acquired in August 2023)	₹ 1,90,100	

Advocate Dr. S. B. Rathore

Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 73,900
GROSS TOTAL INCOME [section 122(10)]		**₹ 14,68,900**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 14,68,900**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 73,900 [section 198(2)(b)]	₹ 13,95,000	
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 balance of ₹ 1,95,000 — 15 per cent	₹ 29,250	
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		**₹ 89,250**
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]		₹ 3,570
TOTAL TAX AND CESS		**₹ 92,820**
TOTAL TAX, rounded off [section 516]		**₹ 92,820**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Konkan Logistics Limited) [section 392]	₹ 1,27,890	
Less: TDS — FD interest (Bank of Baroda) [section 393(1), Table Sl. No. 5(ii)]	₹ 6,500	
Total taxes paid		**₹ 1,34,390**
REFUND DUE, rounded off [sections 431 and 437]		**₹ 41,570**

Advocate Dr. S. B. Rathore

The figures to check

Total income ₹ 14,68,900 · Total tax ₹ 92,820 · Refund due ₹ 41,570

The new regime saves him ₹ 98,280 — ₹ 92,820 against ₹ 1,91,100 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
Shri Mohan Joshi	his mother's brother	Yes — not income	₹ 51,000
Shri Nitin Kale	a friend	No	₹ 55,000

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.

CASE 13.38 · Smt. Kavita Malhotra · Faridabad

SOLUTION (a) 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 (₹ 65,000 a month)	₹ 7,80,000	
Medical allowance (₹ 1,500 a month) — fully taxable	₹ 18,000	
Children education allowance (₹ 2,000 a month for each of her two children)	₹ 48,000	
House rent allowance (₹ 13,000 a month)	₹ 1,56,000	
Perquisite — school fees of her children paid by the employer directly to the school — an obligation of the employee met by the employer [section 17]	₹ 40,000	
Mobile phone bills paid by the employer, ₹ 9,600 — not a taxable perquisite, left out	₹ 0	
Salary for the year, in the gross amount [sections 15 to 17]	₹ 10,42,000	
Less: children education allowance — received in full within ₹ 3,000 a month for each of her two children [Schedule III, Table Sl. No. 13; Rule 280(2), Sl. No. 7]	₹ 48,000	
Less: house rent allowance — the least of the three limits; Working note A [Schedule III, Table Sl. No. 11; Rule 279]	₹ 1,14,000	
Net salary	₹ 8,80,000	
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"		**₹ 8,30,000**
INCOME FROM HOUSE PROPERTY		
Palwal — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 1,26,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 2,400	
Annual value	₹ 1,23,600	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 37,080	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 60,000	
Income from the property	₹ 26,520	
Income chargeable under the head "Income from house property"		**₹ 26,520**
INCOME FROM OTHER SOURCES		
Family pension from the Central Government, on the death of her husband, in the gross amount	₹ 2,40,000	
Less: one-third, ₹ 80,000, or ₹ 15,000, whichever is less [section 93(1)(d)]	₹ 15,000	
Family pension chargeable	₹ 2,25,000	
Interest credited to the savings bank account — Canara Bank [section 92]	₹ 7,500	
Interest on fixed deposits — Canara Bank, in the gross amount	₹ 56,000	
Income chargeable under the head "Income from other sources"		**₹ 2,88,500**
LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Shivalik Pharma Packaging Limited sold on 10/01/2027, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,08,000	
Less: cost of acquisition (acquired in December 2022)	₹ 1,52,600	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 55,400

Advocate Dr. S. B. Rathore

CASE 13.38 · Smt. Kavita Malhotra · SOLUTION (a) OLD REGIME, continued

GROSS TOTAL INCOME [section 122(10)]		**₹ 12,00,420**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 64,800, Sukanya Samriddhi ₹ 50,000, housing loan principal ₹ 64,800; total ₹ 1,79,600, restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance — herself and her two children: ₹ 18,000 paid; ceiling ₹ 25,000 [section 126]	₹ 18,000	
Interest on savings account — ₹ 7,500; ceiling ₹ 10,000 [section 153]	₹ 7,500	
Total of the deductions allowed		**₹ 1,75,500**
TOTAL INCOME, rounded off [section 516]		**₹ 10,24,920**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 55,400 [section 198(2)(b)]	₹ 9,69,520	
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 balance of ₹ 4,69,520 — 20 per cent	₹ 93,904	
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		**₹ 1,06,404**
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]		₹ 4,256
TOTAL TAX AND CESS		**₹ 1,10,660**
TOTAL TAX, rounded off [section 516]		**₹ 1,10,660**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — FD interest (Canara Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 5,600	
Less: advance tax paid on 15/12/2026 [sections 404 to 408]	₹ 30,000	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 40,000	
Total taxes paid		**₹ 75,600**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 35,060**

The figures to check
Total income ₹ 10,24,920 · Total tax ₹ 1,10,660 · Amount payable ₹ 35,060

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)]	₹ 7,80,000
(a) The allowance actually received [Rule 279(1)(a)]	₹ 1,56,000
(b) Rent paid ₹ 1,92,000, less one-tenth of the salary ₹ 78,000 [Rule 279(1)(b)]	₹ 1,14,000
(c) 40 per cent of the salary — Faridabad is not one of the eight places [Rule 279(1)(c)]	₹ 3,12,000
Exempt — the least of (a), (b) and (c)	**₹ 1,14,000**
Taxable — the rest of the allowance	₹ 42,000

Advocate Dr. S. B. Rathore

CASE 13.38 · Smt. Kavita Malhotra · Faridabad

SOLUTION (b) 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 (₹ 65,000 a month)	₹ 7,80,000	
Medical allowance (₹ 1,500 a month) — fully taxable	₹ 18,000	
Children education allowance (₹ 2,000 a month for each of her two children)	₹ 48,000	
House rent allowance (₹ 13,000 a month)	₹ 1,56,000	
Perquisite — school fees of her children paid by the employer directly to the school — an obligation of the employee met by the employer [section 17]	₹ 40,000	
Mobile phone bills paid by the employer, ₹ 9,600 — not a taxable perquisite, left out	₹ 0	
Salary for the year, in the gross amount [sections 15 to 17]	₹ 10,42,000	
Less: house rent and children education allowances — not exempt under this regime [section 202(2)(a)(i) and (ii)]	₹ 0	
Net salary	₹ 10,42,000	
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"		**₹ 9,67,000**
INCOME FROM HOUSE PROPERTY		
Palwal — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 1,26,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 2,400	
Annual value	₹ 1,23,600	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 37,080	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 60,000	
Income from the property	₹ 26,520	
Income chargeable under the head "Income from house property"		**₹ 26,520**
INCOME FROM OTHER SOURCES		
Family pension from the Central Government, on the death of her husband, in the gross amount	₹ 2,40,000	
Less: one-third, ₹ 80,000, or ₹ 25,000, whichever is less [section 93(1)(d)]	₹ 25,000	
Family pension chargeable	₹ 2,15,000	
Interest credited to the savings bank account — Canara Bank [section 92]	₹ 7,500	
Interest on fixed deposits — Canara Bank, in the gross amount	₹ 56,000	
Income chargeable under the head "Income from other sources"		**₹ 2,78,500**

Advocate Dr. S. B. Rathore

CASE 13.38 · Smt. Kavita Malhotra · SOLUTION (b) NEW REGIME, continued

LONG-TERM CAPITAL GAINS ON LISTED EQUITY SHARES		
Sale consideration of the shares of Shivalik Pharma Packaging Limited sold on 10/01/2027, securities transaction tax paid on acquisition and on transfer [section 198(1)]	₹ 2,08,000	
Less: cost of acquisition (acquired in December 2022)	₹ 1,52,600	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 55,400
GROSS TOTAL INCOME [section 122(10)]		**₹ 13,27,420**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 13,27,420**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 55,400 [section 198(2)(b)]	₹ 12,72,020	
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 balance of ₹ 72,020 — 15 per cent	₹ 10,803	
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		**₹ 70,803**
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]		₹ 2,832
TOTAL TAX AND CESS		**₹ 73,635**
TOTAL TAX, rounded off [section 516]		**₹ 73,640**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — FD interest (Canara Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 5,600	
Less: advance tax paid on 15/12/2026 [sections 404 to 408]	₹ 30,000	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 40,000	
Total taxes paid		**₹ 75,600**
REFUND DUE, rounded off [sections 431 and 437]		**₹ 1,960**

The figures to check

Total income ₹ 13,27,420 · Total tax ₹ 73,640 · Refund due ₹ 1,960

The new regime saves her ₹ 37,020 — ₹ 73,640 against ₹ 1,10,660 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.39 · Shri Mahesh Kumar Malhotra · Chennai

SOLUTION (a) 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 (₹ 1,39,000 a month)	₹ 16,68,000	
Dearness allowance (₹ 27,800 a month) — the whole of it enters retirement benefits	₹ 3,33,600	
House rent allowance (₹ 31,200 a month)	₹ 3,74,400	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 23,76,000	
Less: house rent allowance — the least of the three limits; Working note A [Schedule III, Table Sl. No. 11; Rule 279]	₹ 1,23,840	
Net salary	₹ 22,52,160	
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"		**₹ 21,99,660**
INCOME FROM HOUSE PROPERTY		
Property 1 — Meerut — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,74,000 — within the ceiling of ₹ 2,00,000 [section 22(1)(b)]	₹ 1,74,000	
Income from property 1		(₹ 1,74,000)
Property 2 — Coimbatore — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 2,16,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 6,400	
Annual value	₹ 2,09,600	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 62,880	
Income from property 2		₹ 1,46,720
Total of the two properties		(₹ 27,280)
Loss set off against the other heads — within ₹ 2,00,000 [section 109(1)(b)]		
Income chargeable under the head "Income from house property"		**(₹ 27,280)**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Indian Bank [section 92]	₹ 11,300	
Interest on fixed deposits — Indian Bank, in the gross amount	₹ 54,000	
Dividend on listed equity shares of Palar Cements Limited, in the gross amount	₹ 16,500	
Income chargeable under the head "Income from other sources"		**₹ 81,800**
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)]	₹ 3,48,000	
Less: cost of acquisition	₹ 2,61,500	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 86,500
GROSS TOTAL INCOME [section 122(10)]		**₹ 23,40,680**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 2,40,192, LIC premium ₹ 22,000, housing loan principal ₹ 96,000; total ₹ 3,58,192, restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance — self and family: ₹ 19,800 paid; ceiling ₹ 25,000 [section 126]	₹ 19,800	

Advocate Dr. S. B. Rathore

Health insurance — parents: ₹ 34,500 paid; ceiling ₹ 50,000, senior citizens [section 126]	₹ 34,500	
Interest on savings account — ₹ 11,300; ceiling ₹ 10,000 [section 153]	₹ 10,000	
Total of the deductions allowed		**₹ 2,14,300**
TOTAL INCOME, rounded off [section 516]		**₹ 21,26,380**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 86,500 [section 198(2)(b)]	₹ 20,39,880	
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 ₹ 10,39,880 — 30 per cent	₹ 3,11,964	
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		**₹ 4,24,464**
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]		₹ 16,979
TOTAL TAX AND CESS		**₹ 4,41,443**
TOTAL TAX, rounded off [section 516]		**₹ 4,41,440**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Coromandel Auto Components Limited) [section 392]	₹ 4,09,400	
Less: TDS — FD interest (Indian Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 5,400	
Less: TDS — dividend (Palar Cements Limited) [section 393(1), Table Sl. No. 7]	₹ 1,650	
Less: advance tax paid on 15/12/2026 [sections 404 to 408]	₹ 12,000	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 10,000	
Total taxes paid		**₹ 4,38,450**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 2,990**

The figures to check

Total income ₹ 21,26,380 · Total tax ₹ 4,41,440 · Amount payable ₹ 2,990

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)]	₹ 20,01,600
(a) The allowance actually received [Rule 279(1)(a)]	₹ 3,74,400
(b) Rent paid ₹ 3,24,000, less one-tenth of the salary ₹ 2,00,160 [Rule 279(1)(b)]	₹ 1,23,840
(c) 50 per cent of the salary — Chennai is one of the eight places [Rule 279(1)(c)]	₹ 10,00,800
Exempt — the least of (a), (b) and (c)	**₹ 1,23,840**
Taxable — the rest of the allowance	₹ 2,50,560

Advocate Dr. S. B. Rathore

CASE 13.39 · Shri Mahesh Kumar Malhotra · Chennai

SOLUTION (b) 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 (₹ 1,39,000 a month)	₹ 16,68,000	
Dearness allowance (₹ 27,800 a month) — the whole of it enters retirement benefits	₹ 3,33,600	
House rent allowance (₹ 31,200 a month)	₹ 3,74,400	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 23,76,000	
Less: house rent allowance — not exempt under this regime [section 202(2)(a)(i)]	₹ 0	
Net salary	₹ 23,76,000	
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"		**₹ 23,01,000**
INCOME FROM HOUSE PROPERTY		
Property 1 — Meerut — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,74,000 — not deductible under this regime [section 202(2)(a)(v)]	₹ 0	
Income from property 1		₹ 0
Property 2 — Coimbatore — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 2,16,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 6,400	
Annual value	₹ 2,09,600	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 62,880	
Income from property 2		₹ 1,46,720
Total of the two properties		₹ 1,46,720
Income chargeable under the head "Income from house property"		**₹ 1,46,720**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Indian Bank [section 92]	₹ 11,300	
Interest on fixed deposits — Indian Bank, in the gross amount	₹ 54,000	
Dividend on listed equity shares of Palar Cements Limited, in the gross amount	₹ 16,500	
Income chargeable under the head "Income from other sources"		**₹ 81,800**
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)]	₹ 3,48,000	
Less: cost of acquisition	₹ 2,61,500	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 86,500

Advocate Dr. S. B. Rathore

CASE 13.39 · Shri Mahesh Kumar Malhotra · SOLUTION (b) NEW REGIME, continued

GROSS TOTAL INCOME [section 122(10)]		**₹ 26,16,020**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 26,16,020**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 86,500 [section 198(2)(b)]	₹ 25,29,520	
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 ₹ 1,29,520 — 30 per cent	₹ 38,856	
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		**₹ 3,38,856**
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]		₹ 13,554
TOTAL TAX AND CESS		**₹ 3,52,410**
TOTAL TAX, rounded off [section 516]		**₹ 3,52,410**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Coromandel Auto Components Limited) [section 392]	₹ 4,09,400	
Less: TDS — FD interest (Indian Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 5,400	
Less: TDS — dividend (Palar Cements Limited) [section 393(1), Table Sl. No. 7]	₹ 1,650	
Less: advance tax paid on 15/12/2026 [sections 404 to 408]	₹ 12,000	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 10,000	
Total taxes paid		**₹ 4,38,450**
REFUND DUE, rounded off [sections 431 and 437]		**₹ 86,040**

The figures to check

Total income ₹ 26,16,020 · Total tax ₹ 3,52,410 · Refund due ₹ 86,040

The new regime saves him ₹ 89,030 — ₹ 3,52,410 against ₹ 4,41,440 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.40 · Shri Som Nath Arora · Jalandhar

SOLUTION (a) 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 (₹ 1,55,500 a month)	₹ 18,66,000	
Dearness allowance (₹ 24,400 a month) — the whole of it enters retirement benefits	₹ 2,92,800	
Children education allowance (₹ 4,500 a month — for his only child, at school in Jalandhar; no hostel allowance)	₹ 54,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 22,12,800	
Less: children education allowance — ₹ 3,000 a month for his child [Schedule III, Table Sl. No. 13; Rule 280(2), Sl. No. 7]	₹ 36,000	
Net salary	₹ 21,76,800	
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]	₹ 2,400	
Income chargeable under the head "Salaries"		**₹ 21,24,400**
INCOME FROM HOUSE PROPERTY		
Property 1 — Jalandhar — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,52,000 — within the ceiling of ₹ 2,00,000 [section 22(1)(b)]	₹ 1,52,000	
Income from property 1		(₹ 1,52,000)
Property 2 — Mohali — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 2,34,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 7,800	
Annual value	₹ 2,26,200	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 67,860	
Income from property 2		₹ 1,58,340
Total of the two properties		₹ 6,340
Income chargeable under the head "Income from house property"		**₹ 6,340**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — State Bank of India [section 92]	₹ 7,900	
Interest on fixed deposits — State Bank of India, in the gross amount	₹ 38,500	
Dividend on listed equity shares of Beas Valley Foods Limited, in the gross amount	₹ 9,200	
Income chargeable under the head "Income from other sources"		**₹ 55,600**

Advocate Dr. S. B. Rathore

CASE 13.40 · Shri Som Nath Arora · SOLUTION (a) OLD REGIME, continued

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)]	₹ 2,12,400	
Less: cost of acquisition	₹ 1,49,800	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 62,600
GROSS TOTAL INCOME [section 122(10)]		**₹ 22,48,940**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 21,600, LIC premium ₹ 14,800, tuition fees ₹ 26,000, housing loan principal ₹ 68,000; total ₹ 1,30,400, within ₹ 1,50,000 [section 123]	₹ 1,30,400	
Health insurance — self and family: ₹ 17,400 paid; ceiling ₹ 25,000 [section 126]	₹ 17,400	
Health insurance — parents: ₹ 27,300 paid; ceiling ₹ 50,000, senior citizens [section 126]	₹ 27,300	
Interest on savings account — ₹ 7,900; ceiling ₹ 10,000 [section 153]	₹ 7,900	
Total of the deductions allowed		**₹ 1,83,000**
TOTAL INCOME, rounded off [section 516]		**₹ 20,65,940**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 62,600 [section 198(2)(b)]	₹ 20,03,340	
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 ₹ 10,03,340 — 30 per cent	₹ 3,01,002	
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		**₹ 4,13,502**
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]		₹ 16,540
TOTAL TAX AND CESS		**₹ 4,30,042**
TOTAL TAX, rounded off [section 516]		**₹ 4,30,040**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Doaba Sports Exports Private Limited) [section 392]	₹ 4,00,000	
Less: self-assessment tax paid on 18/07/2027 [section 266]	₹ 30,040	
Total taxes paid		**₹ 4,30,040**
NOTHING PAYABLE, AND NO REFUND — the taxes paid equal the tax		**₹ 0**

The figures to check

Total income ₹ 20,65,940 · Total tax ₹ 4,30,040 · Nothing payable, no refund

Advocate Dr. S. B. Rathore

CASE 13.40 · Shri Som Nath Arora · Jalandhar

SOLUTION (b) 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 (₹ 1,55,500 a month)	₹ 18,66,000	
Dearness allowance (₹ 24,400 a month) — the whole of it enters retirement benefits	₹ 2,92,800	
Children education allowance (₹ 4,500 a month — for his only child, at school in Jalandhar; no hostel allowance)	₹ 54,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 22,12,800	
Less: children education allowance — not exempt under this regime [section 202(2)(a)(ii)]	₹ 0	
Net salary	₹ 22,12,800	
Less: standard deduction — ₹ 75,000, or the salary, whichever is less [section 19(1), Table Sl. No. 2]	₹ 75,000	
Less: tax on employment ₹ 2,400 — not deductible under this regime [section 202(2)(a)(iv)]	₹ 0	
Income chargeable under the head "Salaries"		**₹ 21,37,800**
INCOME FROM HOUSE PROPERTY		
Property 1 — Jalandhar — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,52,000 — not deductible under this regime [section 202(2)(a)(v)]	₹ 0	
Income from property 1		₹ 0
Property 2 — Mohali — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 2,34,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 7,800	
Annual value	₹ 2,26,200	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 67,860	
Income from property 2		₹ 1,58,340
Total of the two properties		₹ 1,58,340
Income chargeable under the head "Income from house property"		**₹ 1,58,340**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — State Bank of India [section 92]	₹ 7,900	
Interest on fixed deposits — State Bank of India, in the gross amount	₹ 38,500	
Dividend on listed equity shares of Beas Valley Foods Limited, in the gross amount	₹ 9,200	
Income chargeable under the head "Income from other sources"		**₹ 55,600**

Advocate Dr. S. B. Rathore

CASE 13.40 · Shri Som Nath Arora · SOLUTION (b) NEW REGIME, continued

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)]	₹ 2,12,400	
Less: cost of acquisition	₹ 1,49,800	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 62,600
GROSS TOTAL INCOME [section 122(10)]		**₹ 24,14,340**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 24,14,340**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 62,600 [section 198(2)(b)]	₹ 23,51,740	
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 balance of ₹ 3,51,740 — 25 per cent	₹ 87,935	
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		**₹ 2,87,935**
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]		₹ 11,517
TOTAL TAX AND CESS		**₹ 2,99,452**
TOTAL TAX, rounded off [section 516]		**₹ 2,99,450**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Doaba Sports Exports Private Limited) [section 392]	₹ 4,00,000	
Less: self-assessment tax paid on 18/07/2027 [section 266]	₹ 30,040	
Total taxes paid		**₹ 4,30,040**
REFUND DUE, rounded off [sections 431 and 437]		**₹ 1,30,590**

The figures to check

Total income ₹ 24,14,340 · Total tax ₹ 2,99,450 · Refund due ₹ 1,30,590

The new regime saves him ₹ 1,30,590 — ₹ 2,99,450 against ₹ 4,30,040 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.41 · Shri Rajesh Sharma · Bhopal

SOLUTION (a) 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 (₹ 1,58,000 a month)	₹ 18,96,000	
Dearness allowance (₹ 26,800 a month) — the whole of it enters retirement benefits	₹ 3,21,600	
Uniform allowance (₹ 3,000 a month) — for the uniform he must wear on duty; ₹ 27,400 spent on its purchase and maintenance in the year	₹ 36,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 22,53,600	
Less: uniform allowance — the ₹ 27,400 spent on uniforms worn in the performance of duties [Schedule III, Table Sl. No. 12; Rule 280(1)(g)]	₹ 27,400	
Net salary	₹ 22,26,200	
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"		**₹ 21,73,700**
INCOME FROM HOUSE PROPERTY		
Property 1 — Bhopal — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Income from property 1		₹ 0
Property 2 — Indore — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 3,42,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 11,400	
Annual value	₹ 3,30,600	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 99,180	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 1,26,000	
Income from property 2		₹ 1,05,420
Total of the two properties		₹ 1,05,420
Income chargeable under the head "Income from house property"		**₹ 1,05,420**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Central Bank of India [section 92]	₹ 16,200	
Interest on fixed deposits — Central Bank of India, in the gross amount	₹ 91,000	
Interest on income-tax refund	₹ 2,860	
Income chargeable under the head "Income from other sources"		**₹ 1,10,060**
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)]	₹ 2,94,600	
Less: cost of acquisition	₹ 2,18,900	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 75,700

Advocate Dr. S. B. Rathore

CASE 13.41 · Shri Rajesh Sharma · SOLUTION (a) OLD REGIME, continued

GROSS TOTAL INCOME [section 122(10)]		**₹ 24,64,880**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 21,600, LIC premium ₹ 46,000, housing loan principal ₹ 74,000; total ₹ 1,41,600, within ₹ 1,50,000 [section 123]	₹ 1,41,600	
Health insurance — self and family: ₹ 26,800 paid; restricted to the ceiling of ₹ 25,000 [section 126]	₹ 25,000	
Health insurance — father: ₹ 43,500 paid; ceiling ₹ 50,000, senior citizen [section 126]	₹ 43,500	
Interest on savings account — ₹ 16,200; ceiling ₹ 10,000 [section 153]	₹ 10,000	
Total of the deductions allowed		**₹ 2,20,100**
TOTAL INCOME, rounded off [section 516]		**₹ 22,44,780**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 75,700 [section 198(2)(b)]	₹ 21,69,080	
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 ₹ 11,69,080 — 30 per cent	₹ 3,50,724	
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		**₹ 4,63,224**
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]		₹ 18,529
TOTAL TAX AND CESS		**₹ 4,81,753**
TOTAL TAX, rounded off [section 516]		**₹ 4,81,750**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Narmada Hotels and Resorts Limited) [section 392]	₹ 4,39,600	
Less: TDS — FD interest (Central Bank of India) [section 393(1), Table Sl. No. 5(ii)]	₹ 9,100	
Less: advance tax paid on 15/09/2026 [sections 404 to 408]	₹ 12,000	
Less: advance tax paid on 15/12/2026 [sections 404 to 408]	₹ 12,000	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 14,000	
Total taxes paid		**₹ 4,86,700**
REFUND DUE, rounded off [sections 431 and 437]		**₹ 4,950**

The figures to check

Total income ₹ 22,44,780 · Total tax ₹ 4,81,750 · Refund due ₹ 4,950

Advocate Dr. S. B. Rathore

CASE 13.41 · Shri Rajesh Sharma · Bhopal

SOLUTION (b) 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 (₹ 1,58,000 a month)	₹ 18,96,000	
Dearness allowance (₹ 26,800 a month) — the whole of it enters retirement benefits	₹ 3,21,600	
Uniform allowance (₹ 3,000 a month) — for the uniform he must wear on duty; ₹ 27,400 spent on its purchase and maintenance in the year	₹ 36,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 22,53,600	
Less: uniform allowance — not exempt under this regime [section 202(2)(a)(ii)]	₹ 0	
Net salary	₹ 22,53,600	
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"		**₹ 21,78,600**
INCOME FROM HOUSE PROPERTY		
Property 1 — Bhopal — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Income from property 1		₹ 0
Property 2 — Indore — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 3,42,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 11,400	
Annual value	₹ 3,30,600	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 99,180	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 1,26,000	
Income from property 2		₹ 1,05,420
Total of the two properties		₹ 1,05,420
Income chargeable under the head "Income from house property"		**₹ 1,05,420**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Central Bank of India [section 92]	₹ 16,200	
Interest on fixed deposits — Central Bank of India, in the gross amount	₹ 91,000	
Interest on income-tax refund	₹ 2,860	
Income chargeable under the head "Income from other sources"		**₹ 1,10,060**
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)]	₹ 2,94,600	
Less: cost of acquisition	₹ 2,18,900	

Advocate Dr. S. B. Rathore

CASE 13.41 · Shri Rajesh Sharma · SOLUTION (b) NEW REGIME, continued

Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 75,700
GROSS TOTAL INCOME [section 122(10)]		**₹ 24,69,780**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 24,69,780**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 75,700 [section 198(2)(b)]	₹ 23,94,080	
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 balance of ₹ 3,94,080 — 25 per cent	₹ 98,520	
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		**₹ 2,98,520**
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]		₹ 11,941
TOTAL TAX AND CESS		**₹ 3,10,461**
TOTAL TAX, rounded off [section 516]		**₹ 3,10,460**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Narmada Hotels and Resorts Limited) [section 392]	₹ 4,39,600	
Less: TDS — FD interest (Central Bank of India) [section 393(1), Table Sl. No. 5(ii)]	₹ 9,100	
Less: advance tax paid on 15/09/2026 [sections 404 to 408]	₹ 12,000	
Less: advance tax paid on 15/12/2026 [sections 404 to 408]	₹ 12,000	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 14,000	
Total taxes paid		**₹ 4,86,700**
REFUND DUE, rounded off [sections 431 and 437]		**₹ 1,76,240**

The figures to check

Total income ₹ 24,69,780 · Total tax ₹ 3,10,460 · Refund due ₹ 1,76,240

The new regime saves him ₹ 1,71,290 — ₹ 3,10,460 against ₹ 4,81,750 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.42 · Smt. Pooja Malik · Ahmedabad

SOLUTION (a) 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 (₹ 1,30,500 a month)	₹ 15,66,000	
Dearness allowance (₹ 39,150 a month) — the whole of it enters retirement benefits	₹ 4,69,800	
House rent allowance (₹ 22,000 a month)	₹ 2,64,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 22,99,800	
Less: house rent allowance — nothing exempt, she pays no rent [Schedule III, Table Sl. No. 11; Rule 279(1)(b)]	₹ 0	
Net salary	₹ 22,99,800	
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]	₹ 2,400	
Income chargeable under the head "Salaries"		**₹ 22,47,400**
INCOME FROM HOUSE PROPERTY		
Property 1 — Ahmedabad — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,88,500 — within the ceiling of ₹ 2,00,000 [section 22(1)(b)]	₹ 1,88,500	
Income from property 1		(₹ 1,88,500)
Property 2 — Vadodara — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 2,94,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 10,200	
Annual value	₹ 2,83,800	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 85,140	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 64,000	
Income from property 2		₹ 1,34,660
Total of the two properties		(₹ 53,840)
Loss set off against the other heads — within ₹ 2,00,000 [section 109(1)(b)]		
Income chargeable under the head "Income from house property"		**(₹ 53,840)**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Bank of Baroda [section 92]	₹ 19,700	
Interest on fixed deposits — Bank of Baroda, in the gross amount	₹ 83,000	
Interest on income-tax refund	₹ 4,120	
Income chargeable under the head "Income from other sources"		**₹ 1,06,820**

Advocate Dr. S. B. Rathore

CASE 13.42 · Smt. Pooja Malik · SOLUTION (a) OLD REGIME, continued

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)]	₹ 4,62,000	
Less: cost of acquisition	₹ 3,57,400	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 1,04,600
GROSS TOTAL INCOME [section 122(10)]		**₹ 24,04,980**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 2,44,296, housing loan principal — two loans ₹ 1,19,000; total ₹ 3,63,296, restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance — self and family: ₹ 21,600 paid; ceiling ₹ 25,000 [section 126]	₹ 21,600	
Health insurance — father: ₹ 39,800 paid; ceiling ₹ 50,000, senior citizen [section 126]	₹ 39,800	
Interest on savings account — ₹ 19,700; ceiling ₹ 10,000 [section 153]	₹ 10,000	
Total of the deductions allowed		**₹ 2,21,400**
TOTAL INCOME, rounded off [section 516]		**₹ 21,83,580**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 1,04,600 [section 198(2)(b)]	₹ 20,78,980	
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 ₹ 10,78,980 — 30 per cent	₹ 3,23,694	
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		**₹ 4,36,194**
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]		₹ 17,448
TOTAL TAX AND CESS		**₹ 4,53,642**
TOTAL TAX, rounded off [section 516]		**₹ 4,53,640**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Sabar Textiles Limited) [section 392]	₹ 4,14,000	
Less: TDS — FD interest (Bank of Baroda) [section 393(1), Table Sl. No. 5(ii)]	₹ 8,300	
Less: self-assessment tax paid on 22/07/2027 [section 266]	₹ 31,340	
Total taxes paid		**₹ 4,53,640**
NOTHING PAYABLE, AND NO REFUND — the taxes paid equal the tax		**₹ 0**

The figures to check

Total income ₹ 21,83,580 · Total tax ₹ 4,53,640 · Nothing payable, no refund

Advocate Dr. S. B. Rathore

CASE 13.42 · Smt. Pooja Malik · Ahmedabad

SOLUTION (b) 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 (₹ 1,30,500 a month)	₹ 15,66,000	
Dearness allowance (₹ 39,150 a month) — the whole of it enters retirement benefits	₹ 4,69,800	
House rent allowance (₹ 22,000 a month)	₹ 2,64,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 22,99,800	
Less: house rent allowance — not exempt under this regime [section 202(2)(a)(i)]	₹ 0	
Net salary	₹ 22,99,800	
Less: standard deduction — ₹ 75,000, or the salary, whichever is less [section 19(1), Table Sl. No. 2]	₹ 75,000	
Less: tax on employment ₹ 2,400 — not deductible under this regime [section 202(2)(a)(iv)]	₹ 0	
Income chargeable under the head "Salaries"		**₹ 22,24,800**
INCOME FROM HOUSE PROPERTY		
Property 1 — Ahmedabad — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,88,500 — not deductible under this regime [section 202(2)(a)(v)]	₹ 0	
Income from property 1		₹ 0
Property 2 — Vadodara — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 2,94,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 10,200	
Annual value	₹ 2,83,800	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 85,140	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 64,000	
Income from property 2		₹ 1,34,660
Total of the two properties		₹ 1,34,660
Income chargeable under the head "Income from house property"		**₹ 1,34,660**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Bank of Baroda [section 92]	₹ 19,700	
Interest on fixed deposits — Bank of Baroda, in the gross amount	₹ 83,000	
Interest on income-tax refund	₹ 4,120	
Income chargeable under the head "Income from other sources"		**₹ 1,06,820**
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)]	₹ 4,62,000	
Less: cost of acquisition	₹ 3,57,400	

Advocate Dr. S. B. Rathore

CASE 13.42 · Smt. Pooja Malik · SOLUTION (b) NEW REGIME, continued

Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 1,04,600
GROSS TOTAL INCOME [section 122(10)]		**₹ 25,70,880**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 25,70,880**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 1,04,600 [section 198(2)(b)]	₹ 24,66,280	
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 ₹ 66,280 — 30 per cent	₹ 19,884	
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		**₹ 3,19,884**
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]		₹ 12,795
TOTAL TAX AND CESS		**₹ 3,32,679**
TOTAL TAX, rounded off [section 516]		**₹ 3,32,680**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Sabar Textiles Limited) [section 392]	₹ 4,14,000	
Less: TDS — FD interest (Bank of Baroda) [section 393(1), Table Sl. No. 5(ii)]	₹ 8,300	
Less: self-assessment tax paid on 22/07/2027 [section 266]	₹ 31,340	
Total taxes paid		**₹ 4,53,640**
REFUND DUE, rounded off [sections 431 and 437]		**₹ 1,20,960**

The figures to check

Total income ₹ 25,70,880 · Total tax ₹ 3,32,680 · Refund due ₹ 1,20,960

The new regime saves her ₹ 1,20,960 — ₹ 3,32,680 against ₹ 4,53,640 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.43 · Smt. Beena Saxena · Jaipur

SOLUTION (a) 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 (₹ 1,43,000 a month)	₹ 17,16,000	
Dearness allowance (₹ 28,600 a month) — the whole of it enters retirement benefits	₹ 3,43,200	
House rent allowance (₹ 37,500 a month)	₹ 4,50,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 25,09,200	
Less: house rent allowance — the least of the three limits; Working note A [Schedule III, Table Sl. No. 11; Rule 279]	₹ 3,46,080	
Net salary	₹ 21,63,120	
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"		**₹ 21,13,120**
INCOME FROM HOUSE PROPERTY		
Property 1 — Jodhpur — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,43,500 — within the ceiling of ₹ 2,00,000 [section 22(1)(b)]	₹ 1,43,500	
Income from property 1		(₹ 1,43,500)
Property 2 — Udaipur — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 1,98,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 5,600	
Annual value	₹ 1,92,400	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 57,720	
Income from property 2		₹ 1,34,680
Total of the two properties		(₹ 8,820)
Loss set off against the other heads — within ₹ 2,00,000 [section 109(1)(b)]		
Income chargeable under the head "Income from house property"		**(₹ 8,820)**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — UCO Bank [section 92]	₹ 12,800	
Interest on fixed deposits — UCO Bank, in the gross amount	₹ 61,500	
Dividend on listed equity shares of Mewar Zinc Limited, in the gross amount	₹ 21,400	
Income chargeable under the head "Income from other sources"		**₹ 95,700**
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)]	₹ 3,26,400	
Less: cost of acquisition	₹ 2,57,900	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 68,500
GROSS TOTAL INCOME [section 122(10)]		**₹ 22,68,500**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 2,47,104, LIC premium ₹ 27,500, housing loan principal ₹ 71,500; total ₹ 3,46,104, restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance — self and family: ₹ 22,300 paid; ceiling ₹ 25,000 [section 126]	₹ 22,300	

Advocate Dr. S. B. Rathore

Health insurance — parents: ₹ 41,200 paid; ceiling ₹ 50,000, senior citizens [section 126]	₹ 41,200	
Interest on savings account — ₹ 12,800; ceiling ₹ 10,000 [section 153]	₹ 10,000	
Total of the deductions allowed		**₹ 2,23,500**
TOTAL INCOME, rounded off [section 516]		**₹ 20,45,000**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 68,500 [section 198(2)(b)]	₹ 19,76,500	
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 ₹ 9,76,500 — 30 per cent	₹ 2,92,950	
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		**₹ 4,05,450**
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]		₹ 16,218
TOTAL TAX AND CESS		**₹ 4,21,668**
TOTAL TAX, rounded off [section 516]		**₹ 4,21,670**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Aravalli Marbles and Granites Limited) [section 392]	₹ 4,02,400	
Less: TDS — FD interest (UCO Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 6,150	
Less: TDS — dividend (Mewar Zinc Limited) [section 393(1), Table Sl. No. 7]	₹ 2,140	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 5,000	
Total taxes paid		**₹ 4,15,690**
AMOUNT PAYABLE, rounded off [section 266]		**₹ 5,980**

The figures to check
Total income ₹ 20,45,000 · Total tax ₹ 4,21,670 · Amount payable ₹ 5,980

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)]	₹ 20,59,200
(a) The allowance actually received [Rule 279(1)(a)]	₹ 4,50,000
(b) Rent paid ₹ 5,52,000, less one-tenth of the salary ₹ 2,05,920 [Rule 279(1)(b)]	₹ 3,46,080
(c) 40 per cent of the salary — Jaipur is not one of the eight places [Rule 279(1)(c)]	₹ 8,23,680
Exempt — the least of (a), (b) and (c)	**₹ 3,46,080**
Taxable — the rest of the allowance	₹ 1,03,920

Advocate Dr. S. B. Rathore

CASE 13.43 · Smt. Beena Saxena · Jaipur

SOLUTION (b) 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 (₹ 1,43,000 a month)	₹ 17,16,000	
Dearness allowance (₹ 28,600 a month) — the whole of it enters retirement benefits	₹ 3,43,200	
House rent allowance (₹ 37,500 a month)	₹ 4,50,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 25,09,200	
Less: house rent allowance — not exempt under this regime [section 202(2)(a)(i)]	₹ 0	
Net salary	₹ 25,09,200	
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"		**₹ 24,34,200**
INCOME FROM HOUSE PROPERTY		
Property 1 — Jodhpur — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,43,500 — not deductible under this regime [section 202(2)(a)(v)]	₹ 0	
Income from property 1		₹ 0
Property 2 — Udaipur — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 1,98,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 5,600	
Annual value	₹ 1,92,400	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 57,720	
Income from property 2		₹ 1,34,680
Total of the two properties		₹ 1,34,680
Income chargeable under the head "Income from house property"		**₹ 1,34,680**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — UCO Bank [section 92]	₹ 12,800	
Interest on fixed deposits — UCO Bank, in the gross amount	₹ 61,500	
Dividend on listed equity shares of Mewar Zinc Limited, in the gross amount	₹ 21,400	
Income chargeable under the head "Income from other sources"		**₹ 95,700**
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)]	₹ 3,26,400	
Less: cost of acquisition	₹ 2,57,900	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 68,500
GROSS TOTAL INCOME [section 122(10)]		**₹ 27,33,080**

Advocate Dr. S. B. Rathore

CASE 13.43 · Smt. Beena Saxena · SOLUTION (b) NEW REGIME, continued

DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 27,33,080**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 68,500 [section 198(2)(b)]	₹ 26,64,580	
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 ₹ 2,64,580 — 30 per cent	₹ 79,374	
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		**₹ 3,79,374**
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]		₹ 15,175
TOTAL TAX AND CESS		**₹ 3,94,549**
TOTAL TAX, rounded off [section 516]		**₹ 3,94,550**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Aravalli Marbles and Granites Limited) [section 392]	₹ 4,02,400	
Less: TDS — FD interest (UCO Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 6,150	
Less: TDS — dividend (Mewar Zinc Limited) [section 393(1), Table Sl. No. 7]	₹ 2,140	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 5,000	
Total taxes paid		**₹ 4,15,690**
REFUND DUE, rounded off [sections 431 and 437]		**₹ 21,140**

The figures to check

Total income ₹ 27,33,080 · Total tax ₹ 3,94,550 · Refund due ₹ 21,140

The new regime saves her ₹ 27,120 — ₹ 3,94,550 against ₹ 4,21,670 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.44 · Shri Suraj Singh · Kolkata

SOLUTION (a) 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 (₹ 1,78,000 a month)	₹ 21,36,000	
Dearness allowance (₹ 27,200 a month) — the whole of it enters retirement benefits	₹ 3,26,400	
Children education allowance (₹ 7,000 a month — ₹ 3,500 a month for each of his two children, both at school in Kolkata; no hostel allowance)	₹ 84,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 25,46,400	
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	
Net salary	₹ 24,74,400	
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"		**₹ 24,22,000**
INCOME FROM HOUSE PROPERTY		
Property 1 — 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 ₹ 1,67,200 — within the ceiling of ₹ 2,00,000 [section 22(1)(b)]	₹ 1,67,200	
Income from property 1		(₹ 1,67,200)
Property 2 — Siliguri — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 2,58,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 8,600	
Annual value	₹ 2,49,400	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 74,820	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 47,300	
Income from property 2		₹ 1,27,280
Total of the two properties		(₹ 39,920)
Loss set off against the other heads — within ₹ 2,00,000 [section 109(1)(b)]		
Income chargeable under the head "Income from house property"		**(₹ 39,920)**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Indian Overseas Bank [section 92]	₹ 9,600	
Interest on fixed deposits — Indian Overseas Bank, in the gross amount	₹ 44,000	
Dividend on listed equity shares of Hooghly Jute Mills Limited, in the gross amount	₹ 13,700	
Income chargeable under the head "Income from other sources"		**₹ 67,300**

Advocate Dr. S. B. Rathore

CASE 13.44 · Shri Suraj Singh · SOLUTION (a) OLD REGIME, continued

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)]	₹ 2,48,700	
Less: cost of acquisition	₹ 1,91,300	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 57,400
GROSS TOTAL INCOME [section 122(10)]		**₹ 25,06,780**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 21,600, LIC premium ₹ 16,200, tuition fees — two children ₹ 52,000, housing loan principal — two loans ₹ 91,600; total ₹ 1,81,400, restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance — self and family: ₹ 18,900 paid; ceiling ₹ 25,000 [section 126]	₹ 18,900	
Health insurance — parents: ₹ 31,600 paid; ceiling ₹ 50,000, senior citizens [section 126]	₹ 31,600	
Interest on savings account — ₹ 9,600; ceiling ₹ 10,000 [section 153]	₹ 9,600	
Total of the deductions allowed		**₹ 2,10,100**
TOTAL INCOME, rounded off [section 516]		**₹ 22,96,680**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 57,400 [section 198(2)(b)]	₹ 22,39,280	
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 ₹ 12,39,280 — 30 per cent	₹ 3,71,784	
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		**₹ 4,84,284**
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]		₹ 19,371
TOTAL TAX AND CESS		**₹ 5,03,655**
TOTAL TAX, rounded off [section 516]		**₹ 5,03,660**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Sundarban Tea Exports Limited) [section 392]	₹ 4,67,000	
Less: TDS — dividend (Hooghly Jute Mills Limited) [section 393(1), Table Sl. No. 7]	₹ 1,370	
Less: self-assessment tax paid on 20/07/2027 [section 266]	₹ 35,290	
Total taxes paid		**₹ 5,03,660**
NOTHING PAYABLE, AND NO REFUND — the taxes paid equal the tax		**₹ 0**

The figures to check

Total income ₹ 22,96,680 · Total tax ₹ 5,03,660 · Nothing payable, no refund

Advocate Dr. S. B. Rathore

CASE 13.44 · Shri Suraj Singh · Kolkata

SOLUTION (b) 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 (₹ 1,78,000 a month)	₹ 21,36,000	
Dearness allowance (₹ 27,200 a month) — the whole of it enters retirement benefits	₹ 3,26,400	
Children education allowance (₹ 7,000 a month — ₹ 3,500 a month for each of his two children, both at school in Kolkata; no hostel allowance)	₹ 84,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 25,46,400	
Less: children education allowance — not exempt under this regime [section 202(2)(a)(ii)]	₹ 0	
Net salary	₹ 25,46,400	
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"		**₹ 24,71,400**
INCOME FROM HOUSE PROPERTY		
Property 1 — 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 ₹ 1,67,200 — not deductible under this regime [section 202(2)(a)(v)]	₹ 0	
Income from property 1		₹ 0
Property 2 — Siliguri — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 2,58,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 8,600	
Annual value	₹ 2,49,400	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 74,820	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 47,300	
Income from property 2		₹ 1,27,280
Total of the two properties		₹ 1,27,280
Income chargeable under the head "Income from house property"		**₹ 1,27,280**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Indian Overseas Bank [section 92]	₹ 9,600	
Interest on fixed deposits — Indian Overseas Bank, in the gross amount	₹ 44,000	
Dividend on listed equity shares of Hooghly Jute Mills Limited, in the gross amount	₹ 13,700	
Income chargeable under the head "Income from other sources"		**₹ 67,300**
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)]	₹ 2,48,700	
Less: cost of acquisition	₹ 1,91,300	

Advocate Dr. S. B. Rathore

CASE 13.44 · Shri Suraj Singh · SOLUTION (b) NEW REGIME, continued

Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 57,400
GROSS TOTAL INCOME [section 122(10)]		**₹ 27,23,380**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 27,23,380**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 57,400 [section 198(2)(b)]	₹ 26,65,980	
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 ₹ 2,65,980 — 30 per cent	₹ 79,794	
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		**₹ 3,79,794**
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]		₹ 15,192
TOTAL TAX AND CESS		**₹ 3,94,986**
TOTAL TAX, rounded off [section 516]		**₹ 3,94,990**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Sundarban Tea Exports Limited) [section 392]	₹ 4,67,000	
Less: TDS — dividend (Hooghly Jute Mills Limited) [section 393(1), Table Sl. No. 7]	₹ 1,370	
Less: self-assessment tax paid on 20/07/2027 [section 266]	₹ 35,290	
Total taxes paid		**₹ 5,03,660**
REFUND DUE, rounded off [sections 431 and 437]		**₹ 1,08,670**

The figures to check

Total income ₹ 27,23,380 · Total tax ₹ 3,94,990 · Refund due ₹ 1,08,670

The new regime saves him ₹ 1,08,670 — ₹ 3,94,990 against ₹ 5,03,660 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.45 · Smt. Shweta Kumari Grover · Patna

SOLUTION (a) 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 (₹ 1,52,500 a month)	₹ 18,30,000	
Dearness allowance (₹ 22,750 a month) — the whole of it enters retirement benefits	₹ 2,73,000	
Uniform allowance (₹ 2,500 a month) — for the uniform she must wear on duty; ₹ 33,600 spent on its purchase and maintenance in the year	₹ 30,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 21,33,000	
Less: uniform allowance — the ₹ 33,600 spent on uniforms worn in the performance of duties [Schedule III, Table Sl. No. 12; Rule 280(1)(g)]	₹ 30,000	
Net salary	₹ 21,03,000	
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"		**₹ 20,50,500**
INCOME FROM HOUSE PROPERTY		
Property 1 — Patna — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Income from property 1		₹ 0
Property 2 — Ranchi — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 3,12,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 9,300	
Annual value	₹ 3,02,700	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 90,810	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 1,08,400	
Income from property 2		₹ 1,03,490
Total of the two properties		₹ 1,03,490
Income chargeable under the head "Income from house property"		**₹ 1,03,490**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Bank of India [section 92]	₹ 18,300	
Interest on fixed deposits — Bank of India, in the gross amount	₹ 77,400	
Interest on income-tax refund	₹ 3,540	
Income chargeable under the head "Income from other sources"		**₹ 99,240**
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)]	₹ 3,71,200	
Less: cost of acquisition	₹ 2,78,600	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 92,600

Advocate Dr. S. B. Rathore

CASE 13.45 · Smt. Shweta Kumari Grover · SOLUTION (a) OLD REGIME, continued

GROSS TOTAL INCOME [section 122(10)]		**₹ 23,45,830**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 21,600, PPF ₹ 40,000, housing loan principal ₹ 62,700; total ₹ 1,24,300, within ₹ 1,50,000 [section 123]	₹ 1,24,300	
Health insurance — self and family: ₹ 24,100 paid; ceiling ₹ 25,000 [section 126]	₹ 24,100	
Health insurance — mother: ₹ 36,900 paid; ceiling ₹ 50,000, senior citizen [section 126]	₹ 36,900	
Interest on savings account — ₹ 18,300; ceiling ₹ 10,000 [section 153]	₹ 10,000	
Total of the deductions allowed		**₹ 1,95,300**
TOTAL INCOME, rounded off [section 516]		**₹ 21,50,530**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 92,600 [section 198(2)(b)]	₹ 20,57,930	
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 ₹ 10,57,930 — 30 per cent	₹ 3,17,379	
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		**₹ 4,29,879**
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]		₹ 17,195
TOTAL TAX AND CESS		**₹ 4,47,074**
TOTAL TAX, rounded off [section 516]		**₹ 4,47,070**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Magadh Security Services Limited) [section 392]	₹ 4,15,300	
Less: TDS — FD interest (Bank of India) [section 393(1), Table Sl. No. 5(ii)]	₹ 7,740	
Less: advance tax paid on 15/09/2026 [sections 404 to 408]	₹ 8,000	
Less: advance tax paid on 15/12/2026 [sections 404 to 408]	₹ 8,000	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 10,000	
Total taxes paid		**₹ 4,49,040**
REFUND DUE, rounded off [sections 431 and 437]		**₹ 1,970**

The figures to check

Total income ₹ 21,50,530 · Total tax ₹ 4,47,070 · Refund due ₹ 1,970

Advocate Dr. S. B. Rathore

CASE 13.45 · Smt. Shweta Kumari Grover · Patna

SOLUTION (b) 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 (₹ 1,52,500 a month)	₹ 18,30,000	
Dearness allowance (₹ 22,750 a month) — the whole of it enters retirement benefits	₹ 2,73,000	
Uniform allowance (₹ 2,500 a month) — for the uniform she must wear on duty; ₹ 33,600 spent on its purchase and maintenance in the year	₹ 30,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 21,33,000	
Less: uniform allowance — not exempt under this regime [section 202(2)(a)(ii)]	₹ 0	
Net salary	₹ 21,33,000	
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"		**₹ 20,58,000**
INCOME FROM HOUSE PROPERTY		
Property 1 — Patna — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Income from property 1		₹ 0
Property 2 — Ranchi — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 3,12,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 9,300	
Annual value	₹ 3,02,700	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 90,810	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 1,08,400	
Income from property 2		₹ 1,03,490
Total of the two properties		₹ 1,03,490
Income chargeable under the head "Income from house property"		**₹ 1,03,490**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Bank of India [section 92]	₹ 18,300	
Interest on fixed deposits — Bank of India, in the gross amount	₹ 77,400	
Interest on income-tax refund	₹ 3,540	
Income chargeable under the head "Income from other sources"		**₹ 99,240**
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)]	₹ 3,71,200	
Less: cost of acquisition	₹ 2,78,600	

Advocate Dr. S. B. Rathore

CASE 13.45 · Smt. Shweta Kumari Grover · SOLUTION (b) NEW REGIME, continued

Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 92,600
GROSS TOTAL INCOME [section 122(10)]		**₹ 23,53,330**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 23,53,330**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 92,600 [section 198(2)(b)]	₹ 22,60,730	
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 balance of ₹ 2,60,730 — 25 per cent	₹ 65,182.50	
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		**₹ 2,65,182.50**
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]		₹ 10,607
TOTAL TAX AND CESS		**₹ 2,75,789.50**
TOTAL TAX, rounded off [section 516]		**₹ 2,75,790**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Magadh Security Services Limited) [section 392]	₹ 4,15,300	
Less: TDS — FD interest (Bank of India) [section 393(1), Table Sl. No. 5(ii)]	₹ 7,740	
Less: advance tax paid on 15/09/2026 [sections 404 to 408]	₹ 8,000	
Less: advance tax paid on 15/12/2026 [sections 404 to 408]	₹ 8,000	
Less: advance tax paid on 15/03/2027 [sections 404 to 408]	₹ 10,000	
Total taxes paid		**₹ 4,49,040**
REFUND DUE, rounded off [sections 431 and 437]		**₹ 1,73,250**

The figures to check

Total income ₹ 23,53,330 · Total tax ₹ 2,75,790 · Refund due ₹ 1,73,250

The new regime saves her ₹ 1,71,280 — ₹ 2,75,790 against ₹ 4,47,070 under the old regime.

Advocate Dr. S. B. Rathore

CASE 13.46 · Smt. Neha Kumari Jain · Bengaluru

SOLUTION (a) 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 (₹ 1,48,500 a month)	₹ 17,82,000	
Dearness allowance (₹ 29,700 a month) — the whole of it enters retirement benefits	₹ 3,56,400	
House rent allowance (₹ 27,750 a month)	₹ 3,33,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 24,71,400	
Less: house rent allowance — nothing exempt, she pays no rent [Schedule III, Table Sl. No. 11; Rule 279(1)(b)]	₹ 0	
Net salary	₹ 24,71,400	
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"		**₹ 24,18,900**
INCOME FROM HOUSE PROPERTY		
Property 1 — Bengaluru — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,96,300 — within the ceiling of ₹ 2,00,000 [section 22(1)(b)]	₹ 1,96,300	
Income from property 1		(₹ 1,96,300)
Property 2 — Mysore — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 2,76,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 9,900	
Annual value	₹ 2,66,100	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 79,830	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 58,700	
Income from property 2		₹ 1,27,570
Total of the two properties		(₹ 68,730)
Loss set off against the other heads — within ₹ 2,00,000 [section 109(1)(b)]		
Income chargeable under the head "Income from house property"		**(₹ 68,730)**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Karnataka Bank [section 92]	₹ 14,900	
Interest on fixed deposits — Karnataka Bank, in the gross amount	₹ 68,200	
Interest on income-tax refund	₹ 2,380	
Income chargeable under the head "Income from other sources"		**₹ 85,480**

Advocate Dr. S. B. Rathore

CASE 13.46 · Smt. Neha Kumari Jain · SOLUTION (a) OLD REGIME, continued

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)]	₹ 4,18,300	
Less: cost of acquisition	₹ 3,22,500	
Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 95,800
GROSS TOTAL INCOME [section 122(10)]		**₹ 25,31,450**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Payments of Schedule XV — provident fund ₹ 2,56,608, housing loan principal — two loans ₹ 1,12,400; total ₹ 3,69,008, restricted to the ceiling of ₹ 1,50,000 [section 123]	₹ 1,50,000	
Health insurance — self and family: ₹ 20,700 paid; ceiling ₹ 25,000 [section 126]	₹ 20,700	
Health insurance — parents: ₹ 37,400 paid; ceiling ₹ 50,000, senior citizens [section 126]	₹ 37,400	
Interest on savings account — ₹ 14,900; ceiling ₹ 10,000 [section 153]	₹ 10,000	
Total of the deductions allowed		**₹ 2,18,100**
TOTAL INCOME, rounded off [section 516]		**₹ 23,13,350**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 95,800 [section 198(2)(b)]	₹ 22,17,550	
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 ₹ 12,17,550 — 30 per cent	₹ 3,65,265	
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		**₹ 4,77,765**
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]		₹ 19,111
TOTAL TAX AND CESS		**₹ 4,96,876**
TOTAL TAX, rounded off [section 516]		**₹ 4,96,880**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Cauvery Precision Tools Limited) [section 392]	₹ 4,56,000	
Less: TDS — FD interest (Karnataka Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 6,820	
Less: self-assessment tax paid on 24/07/2027 [section 266]	₹ 34,060	
Total taxes paid		**₹ 4,96,880**
NOTHING PAYABLE, AND NO REFUND — the taxes paid equal the tax		**₹ 0**

The figures to check

Total income ₹ 23,13,350 · Total tax ₹ 4,96,880 · Nothing payable, no refund

Advocate Dr. S. B. Rathore

CASE 13.46 · Smt. Neha Kumari Jain · Bengaluru

SOLUTION (b) 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 (₹ 1,48,500 a month)	₹ 17,82,000	
Dearness allowance (₹ 29,700 a month) — the whole of it enters retirement benefits	₹ 3,56,400	
House rent allowance (₹ 27,750 a month)	₹ 3,33,000	
Salary for the year, in the gross amount [sections 15 and 16]	₹ 24,71,400	
Less: house rent allowance — not exempt under this regime [section 202(2)(a)(i)]	₹ 0	
Net salary	₹ 24,71,400	
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"		**₹ 23,96,400**
INCOME FROM HOUSE PROPERTY		
Property 1 — Bengaluru — self-occupied		
Annual value — nil, the house being in the owner's own occupation [section 21(6)]	₹ 0	
Less: interest on the home loan ₹ 1,96,300 — not deductible under this regime [section 202(2)(a)(v)]	₹ 0	
Income from property 1		₹ 0
Property 2 — Mysore — let out		
Gross rent received or receivable for the year [section 21(1)]	₹ 2,76,000	
Less: taxes paid to the local authority during the year [section 21(7)(b)]	₹ 9,900	
Annual value	₹ 2,66,100	
Less: thirty per cent of the annual value [section 22(1)(a)]	₹ 79,830	
Less: interest on the home loan — allowed in full, the house being let out [section 22(1)(b)]	₹ 58,700	
Income from property 2		₹ 1,27,570
Total of the two properties		₹ 1,27,570
Income chargeable under the head "Income from house property"		**₹ 1,27,570**
INCOME FROM OTHER SOURCES		
Interest credited to the savings bank account — Karnataka Bank [section 92]	₹ 14,900	
Interest on fixed deposits — Karnataka Bank, in the gross amount	₹ 68,200	
Interest on income-tax refund	₹ 2,380	
Income chargeable under the head "Income from other sources"		**₹ 85,480**
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)]	₹ 4,18,300	
Less: cost of acquisition	₹ 3,22,500	

Advocate Dr. S. B. Rathore

CASE 13.46 · Smt. Neha Kumari Jain · SOLUTION (b) NEW REGIME, continued

Long-term capital gain — held for more than twelve months [section 2(101)(b)]; within ₹ 1,25,000 [section 198]		₹ 95,800
GROSS TOTAL INCOME [section 122(10)]		**₹ 27,05,250**
DEDUCTIONS FROM GROSS TOTAL INCOME — Chapter VIII		
Nothing in this Chapter is allowed under this regime — the claims under sections 123, 126 and 153 get nothing [section 202(2)(a)(xii)]	₹ 0	
Total of the deductions allowed		**₹ 0**
TOTAL INCOME, rounded off [section 516]		**₹ 27,05,250**
TAX ON THE TOTAL INCOME		
Memorandum: income charged at the slab rates — the total income less the long-term capital gain of ₹ 95,800 [section 198(2)(b)]	₹ 26,09,450	
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 ₹ 2,09,450 — 30 per cent	₹ 62,835	
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		**₹ 3,62,835**
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]		₹ 14,513
TOTAL TAX AND CESS		**₹ 3,77,348**
TOTAL TAX, rounded off [section 516]		**₹ 3,77,350**
TAXES PAID, AND THE AMOUNT PAYABLE OR REFUNDABLE		
Less: TDS — salary (Cauvery Precision Tools Limited) [section 392]	₹ 4,56,000	
Less: TDS — FD interest (Karnataka Bank) [section 393(1), Table Sl. No. 5(ii)]	₹ 6,820	
Less: self-assessment tax paid on 24/07/2027 [section 266]	₹ 34,060	
Total taxes paid		**₹ 4,96,880**
REFUND DUE, rounded off [sections 431 and 437]		**₹ 1,19,530**

The figures to check

Total income ₹ 27,05,250 · Total tax ₹ 3,77,350 · Refund due ₹ 1,19,530

The new regime saves her ₹ 1,19,530 — ₹ 3,77,350 against ₹ 4,96,880 under the old regime.

Advocate Dr. S. B. Rathore