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Ques. Basic Salary 9,00,000
DA (70% forms part of Retirement Benefit) 80,000
Fixed commission & bonus 1,80,000
Fixed Lunch allowance 24,000
Taxable value of children Education allowance 7200
X has been provided with a rent-free unfurnished house. Find out the taxable value of perquisites in the following situations:
Situation 1: X is an employee of a private sector company. House is owned by the employer.

Situation 2: House is taken on rent by the employer (rent being Rs. 2,40,000 per annum). [The house is situated in Mumbai (population is more than 25 lakhs)]

Sol. Salary = 9,00,000 + [80,000 X 70%] + 1,80,000 + 24000 + 7200

= 11,67,200

Situation 1

Rent-free unfurnished house = 15% of Salary
= 1167200 X 15%
= 175080

Situation 2

Rent-free unfurnished house = Rent paid by employer
OR
15% of salary
(whichever is less)

= 2,40,000 OR $\boxed{175080}$

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Ques. Basic Salary 9,00,000
DA (70% forms part of retirement benefit) 80,000
Fixed commission & bonus 1,80,000
Fixed lunch allowance 24000
Taxable children Education allowance 7200

X has been provided with furnished accommodation. Some of household appliances provided to X (cost price of which is Rs. 3,60,000). Employer paid Rs. 24000 p.a. as hire charges. Find out the value of accomodation if :

(i) it is rent-free, or
(ii) it is provided as concessional rate (1,00,000 pa)

= Rent free furni. acc. — Rent paid by employee

Sol. Rent-free furnished accommodation = unfurnished value (+) 10% p.a. of the cost of furniture (+) Hire charges (−) charges paid by employee

= 175080 + 36000 + 24000
= 235080 − 1,00,000
= 35080

Unfurnished value = 15% of Salary
= 15% of 1167200
= 175080

Salary = 9,00,000 + 56000 + 1,80,000 + 24000 + 7200
= 1167200

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Ques. Basic Salary 2,40,000.
DA 5000 per month
A watchman and a cook have been provided by the company who are paid Rs. 400 per month each. Employee was given Cloth worth Rs. 7000 by his employer free of cost. The company paid Rs. 5000 for electric bills and Rs. 3000 for water bills. Employee is provided free meals in the office, during office hours, for 300 days during the previous year. The cost of meals to the employer is Rs. 65 per meal. Find out the gross salary of the employee.

Sol.

Particulars	Amt.	Amt.
Basic Salary		2,40,000
DA (5000 X 12)		60,000
value of watchman facility (400X12)		4800
value of cook facility (400 X 12)		4800
value of Gift	7000	
(−) exempt	(5000)	2000
Electricity bills paid by employer		5000
water bills paid by employer		3000
Value of free meals (15 X 300)		4500
GROSS SALARY		324100

Value of free meals (65 X 300)	19500	
(−) exempt (50 X 300)	(15000)	4500