90-E3 Mr. X (age: 35 years) furnishes the following particulars for the A.Y. 2020-21:

P & L A/c for the year ending March 31, 2020

	Rs		Rs
Office expenses	2,400	Gross profit	8,98,000
Audit fees	8,000	Sundry receipts	9,000
Legal expenses	1,000	Customs duties recovered from the government (earlier not allowed as deduction)	5,300
Cost of extension to building	10,000	Bad debts recovered (earlier allowed as deduction)	3,000
Depreciation on machinery & extension of building	11,000	Gift from a friend	10,000
~~Salary to staff~~	~~21,000~~		
Bonus to staff	15,000		
Contribution to an approved gratuity fund	6,000		
Outstanding liability in respect of interest payable to IDBI	8,000		
General expenses	21,000		
Net profit	8,21,900		
	9,25,300		9,25,300

Other relevant particulars:

1. Bonus is outstanding on March 31, 2021 Rs 10,500 is, however, paid on July 31, 2021 (being the due date of furnishing return of income)
2. Depreciation on machinery and extension of building shown in the P&L A/c is calculated according to the income tax provisions
3. General expenses include payment of Rs 12,500 to an approved institute for the purpose of carrying on scientific research in natural sciences. The research is, however, not related to the business of the assessee.
4. During the previous year 2020-21, X also makes a capital expenditure of Rs 25000 for the purpose of carrying on scientific research related to his business. The expenditure is, however, not recorded in the P&L A/c
5. Outstanding interest payable to IDBI is paid as follows: Rs 500 on April 10, 2020, Rs 1,000 on May 10, 2020, Rs 2,000 on June 30, 2020 and Rs 1,000 on September 10, 2020. Rs 2,500 is still outstanding
6. Salary to staff includes Rs 2,000 being compensation paid for premature retirement to an employee

Determine the net income & tax liability of X for the assessment year 2020-21 assuming that he annually deposits Rs 150000 in the public provident fund & invests Rs 30000 in NSC 9th issue. (Rs 6,13,960 & Rs 42,900)

90-E4 — X (age: 26 years) a resident individual, furnishes the following particulars for the assessment year 2021-21 ~~[illegible]~~:

P&L A/c for the year ending March 31, 2020

Rs		Rs	
Office expenses	9,000	Gross profit	1886575
Salary to staff	24,000	Sundry receipts	38,000
Depreciation	15,000		
Travelling expenses	9,000		
Loss of cash by an employee through embezzlement	6,000		
Transfer to ~~[illegible]~~ special reserve A/c	1,875		
Expenditure on festival	2,000		
Interest & legal expenses	22,600		
Sundry expenses	5,000		
Deposit under Tatkal Telephone Deposit Scheme	25,000		
Net profit	1805,100		
	1924,575		1924575

Other information:

1. Salary to staff includes payment of Rs 6000 out of India on which tax has not been deducted at source.
2. Depreciated value of plant & machinery on April 1, ~~[illegible]~~ Rs 70,000 (rate of depreciation: 15 percent).
   - An air-conditioner (cost price: Rs 7,500) whose W.D.V. on April 1, 2019 is Rs 2,450 is disposed off for Rs 2000.
   - A typewriter whose W.D.V. on April 1, 2019 was Rs 570 is sold for Rs 200.
   - X purchases a new telephone set for Rs 10,000 on Nov 1, 2019, which is eligible for depreciation @ 15%.
3. Travelling expenses include Rs 7,600 being hotel expenditure of an employee in respect of an official visit to Madras for 5 days.
4. Amount debited as expenditure on festival is cost of a gift presented to a relative.
5. Sundry expenses include expenditure of Rs 4,000 on the maintenance of a guest house at Bombay.
6. Legal expenses include cost payment of Rs 12,000 to an advocate (who is not an employee of X) for giving income tax advice.

Determine the taxable income / tax liability of X for the assessment year 2020-21, assuming that sundry receipts include Rs 12000, being amount of a loan taken from P.P.F. account to which X annually contributes Rs [illegible]. Moreover, X pays Life Insurance premium of his minor daughter of Rs 160,000 (sum assured Rs 10,00,000). (Ans Rs 1657810 & Rs 332940)