

INCOME FROM SALARY

53-EX

(age: 26 years)

X is an employee of a cooperative society at Varanasi. During the previous year ~~2019-20~~ ²⁰¹⁹⁻²⁰ he gets Rs 6,500 per month as basic salary, Rs 8000 per month as bonus and Rs 4500 per month as D.A. (32 per cent of it forms part of salary for computation of retirement benefits) and Rs 2000 p.m. as medical allowance (medical expenses are, however, more than Rs 2000 p.m.). He is a member of a R.P.F. to which the employer contributes ~~Rs 169274~~ ^{Rs 169274} of salary (X also makes a matching contribution repayable within 8 years). X gets an interest-free loan of Rs 82,330 from the employer for purchasing ~~skitchen appliances~~ a house (I.B.I. lending rate: ~~10.10%~~ ^{10.10%} per cent). Besides, he gets Rs 80,760 as interest on company deposits from a private sector undertaking.

X deposits Rs 31,000 in Public Provident Fund. Determine the taxable income and tax liability

of X for the assessment year ~~2020-21~~ ²⁰²⁰⁻²¹.
~~2016~~ ~~2017~~ ~~2018~~ ~~2019~~ ~~2020~~ ~~2021~~
 1917380
 (Ans. B: 19,15,0160; Rs 37,756)

53-EG

(age: 29 years)

Mrs. X is a part-time lecturer in a college of Delhi University. The details of her salary and other income for the previous year ~~2019-20~~ ²⁰¹⁹⁻²⁰ are as follows:

	Rs
Basic salary	2,60,000
Dearness allowance (forming part of salary)	52,400
Education allowance for 2 children (expenditure being Rs 600)	3600
Hotel expenditure allowance for 1 child (expenditure being Rs 7,000)	6800

House rent allowance

Remuneration from Columbia University
for acting as examiner

Rs 80,800
142,180
69,180

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Allowance for research which is to be completed during January-April 2020 (actual expenditure incurred for completing the research: Upto March 31, 2020. Rs 4,500, ~~starting April 2020 Rs 2,000~~)

6,000

She is a member of statutory provident fund to which she contributes 12% of her salary and similar amount is contributed by the college. Besides, the college reimburses Rs 56,000 being expenditure incurred by her on medical treatment of her daughter in a private clinic. ~~This was deducted from her salary but paid by the employer.~~

regularly resident;
N.O.R.

During the year, she spent Rs 700 on the purchase of books for her teaching purposes. She has maintained a scooter for the whole year for office as well as private purposes. She has been living in a rented house and paying Rs 9,000 per month as rent.

is a resident and (b) a resident but case is in

For the year 2019-20, she paid Rs 6,500 as insurance premium on her life policy for Rs 40,000 (date of payment: April 3, 2020). Mrs. X deposits Rs 80,000 in Public Provident Fund every year. Compute the total income and tax liability for the assessment year 2020-21.

(Rs 35,300 in both the two cases) Rs 16,790 - Rs 76,770 - Rs 5,360 in 2 cases.

53-E3

Mrs. X (44 years) received the following income from B Ltd. during the year ending March 31, 2020:

Salary @ Rs 19,000 per month	Rs 2,28,000
Leave travel concession for proceeding on leave (expenditure on air-fare Rs 26,000)	Rs 24,000
Lunch allowance @ Rs 250 p.m. (expenditure: Rs 27,000)	Rs 27,000
Medical allowance (expenditure: Rs 12,000)	Rs 12,000
Allowance for purchase and maintenance of uniform for official use (expenditure incurred by X: Rs 8,000)	Rs 8,000
	Rs 79,000

Mrs. X also enjoyed the following benefits and perquisites:

Free furnished flat in Bombay for which employer is paying a monthly rent of Rs 29,500.

Free use of a Maruti car without driver for personal use and official use. Car can also be used by family members of Mrs. X and personal attendant.

Free service of cook (salary: Rs 4,400) and sweeper (salary: Rs 4,600). Free use of employer's sports player (cost to the employer Rs 25,000, year of purchase: 2016-17). Mrs. X's salary and allowances for March 2020, though due on March 31, 2020, were received by her only in April, 2020.

Free use of employer's sports player (cost to the employer: Rs 25,000, year of purchase 2016-17).

Free use of employer's sports player (cost to the employer: Rs 25,000, year of purchase 2016-17).

Compute net income of Mrs. X for the assessment year 2020-21 on the assumption that her income from other sources is Rs 25,760. Also determine the amount of rebate under sections 88B, 88C and 88D.

(Ans. 1,85,840 net, Rs 5,000 rebate under sections 88B, 88C and 88D. Rs. 4,21,020)