

# CA / CMA - INTER

MAY / JUNE & NOV / DEC - 2023 EXAMS

(AS AMENDED BY FINANCE ACT 2022)



**DIRECT TAX**

**Question & Answers**

# COMPILER

As Per New Syllabus

## Deductions from Gross Total Income

### Question 1

Examine the following statements with regard to the provisions of the Income-tax Act, 1961:

- (a) For grant of deduction under section 80JJAA, filing of audit report in prescribed form is must for a corporate assessee; filing of return within the due date laid down in section 139(1) is not required.
- (b) Filing of belated return under section 139(4) of the Income-tax Act, 1961 will debar an assessee from claiming deduction under section 80QQB [SM Q.]

### Answer 1

- (a) **The statement is not correct.** Section 80AC stipulates compulsory filing of return of income on or before the due date specified under section 139(1), as a pre-condition for availing the benefit of deduction, inter alia, under section 80JJAA.
- (b) **The statement is correct.** As per section 80AC, the assessee has to furnish his return of income on or before the due date specified under section 139(1), to be eligible to claim deduction under, inter alia, section 80QQB.

### Question 2

Compute the eligible deduction under section 80C for A.Y.2023-24 in respect of life insurance premium paid by Mr. Ganesh during the P.Y.2022-23, the details of which are given hereunder – [SM Q.]

	Date of issue of policy	Person insured	Actual capital sum assured (₹)	Insurance premium paid during 2022-23 (₹)
(i)	30/3/2012	Self	6,00,000	51,000
(ii)	1/5/2017	Spouse	1,50,000	20,000
(iii)	1/6/2020	Handicapped son (section 80U disability)	4,00,000	80,000

### Answer 2

	Date of issue of policy	Person insured	Actual capital sum assured (₹)	Insurance premium paid during 2022-23 (₹)	Deduct- ion u/s 80C for A.Y.2023-24 (₹)	Remark (restricted to % of sum assured) (₹)
(i)	30/3/2012	Self	6,00,000	51,000	51,000	20%
(ii)	1/5/2017	Spouse	1,50,000	20,000	15,000	10%

(iii)	1/6/2020	Handicapped son (section 80U disability)	4,00,000	80,000	60,000	15%
<b>Total</b>					<b>1,26,000</b>	

**Question 3**

The basic salary of Mr. A is ₹ 1,00,000 p.m. He is entitled to dearness allowance, which is 40% of basic salary. 50% of dearness allowance forms part of pay for retirement benefits. Both Mr. A and his employer, ABC Ltd., contribute 15% of basic salary to the pension scheme referred to in section 80CCD. Explain the tax treatment in respect of such contribution in the hands of Mr. A.

[SM Q.]

**Answer 3**

**Tax treatment in the hands of Mr. A in respect of employer's and own contribution to pension scheme referred to in section 80CCD**

- (a) Employer's contribution to such pension scheme would be treated as salary since it is specifically included in the definition of "salary" under section 17(1)(viii). Therefore, ₹ 1,80,000, being 15% of basic salary of ₹ 12,00,000, will be included in Mr. A's salary.
- (b) Mr. A's contribution to pension scheme is allowable as deduction under section 80CCD(1). However, the deduction is restricted to 10% of salary. Salary, for this purpose, means basic pay plus dearness allowance, if it forms part of pay.

Therefore, "salary" for the purpose of deduction under section 80CCD for Mr. A would be –

Particulars	₹
Basic salary = ₹ 1,00,000 × 12 =	12,00,000
Dearness allowance = 40% of ₹ 12,00,000 = ₹ 4,80,000	
50% of Dearness Allowance forms part of pay = 50% of ₹ 4,80,000	2,40,000
Salary for the purpose of deduction under section 80CCD	14,40,000
Deduction under section 80CCD(1) is restricted to 10% of ₹ 14,40,000 (as against actual contribution of ₹ 1,80,000, being 15% of basic salary of ₹ 12,00,000)	1,44,000
As per section 80CCD(1B), a further deduction of upto ₹ 50,000 is allowable. Therefore, deduction under section 80CCD(1B) is ₹ 36,000 (₹ 1,80,000 - ₹ 1,44,000).	36,000

₹ 1,44,000 is allowable as deduction under section 80CCD(1). This would be taken into consideration and be subject to the overall limit of ₹ 1,50,000 under section 80CCE. ₹ 36,000 allowable as deduction under section 80CCD(1B) is outside the overall limit of ₹ 1,50,000 under section 80CCE.

In the alternative, ₹ 50,000 can be claimed as deduction under section 80CCD(1B). The balance ₹ 1,30,000 (₹ 1,80,000 - ₹ 50,000) can be claimed as deduction under section 80CCD(1).

- (c) Employer's contribution to pension scheme would be allowable as deduction under section 80CCD(2), subject to a maximum of 10% of salary. Therefore, deduction under section 80CCD(2), would also be restricted to ₹ 1,44,000, even though the entire employer's contribution of ₹ 1,80,000 is included in salary under section 17(1)(viii). However, this deduction of employer's contribution of ₹ 1,44,000 to pension scheme would be outside the overall limit of ₹ 1,50,000 under section 80CCE i.e., this deduction would be over and above the other deductions which are subject to the limit of ₹ 1,50,000.

## Chapter 11: Deductions from Gross Total Income

### Question 4

The gross total income of Mr. X for the A.Y.2023-24 is ₹ 8,00,000. He has made the following investments/payments during the F.Y.2022-23 –

Particulars		₹
(1)	Contribution to PPF	1,10,000
(2)	Payment of tuition fees to Apeejay School, New Delhi, for education of his son studying in Class XI	45,000
(3)	Repayment of housing loan taken from Standard Chartered Bank	25,000
(4)	Contribution to approved pension fund of LIC	1,05,000

Compute the eligible deduction under Chapter VI-A for the A.Y.2023-24.

[SM Q.]

### Answer 4

#### Computation of deduction under Chapter VI-A for the A.Y.2023-24

Particulars		₹
<b>Deduction under section 80C</b>		
-	Contribution to PPF	1,10,000
-	Payment of tuition fees to Apeejay School, New Delhi, for education of his son studying in Class XI	45,000
-	Repayment of housing loan	25,000
		1,80,000
	Restricted to ₹ 1,50,000, being the maximum permissible deduction u/s 80C	1,50,000
<b>Deduction under section 80CCC</b>		
-	Contribution to approved pension fund of LIC ₹ 1,05,000	1,05,000
		2,55,000
	As per section 80CCE, the aggregate deduction under section 80C, 80CCC and 80CCD(1) has to be restricted to ₹ 1,50,000	
<b>Deduction allowable under Chapter VIA for the A.Y. 2023-24</b>		<b>1,50,000</b>

### Question 5

Mr. A, aged 40 years, paid medical insurance premium of ₹ 20,000 during the P.Y. 2022-23 to insure his health as well as the health of his spouse. He also paid medical insurance premium of ₹ 47,000 during the year to insure the health of his father, aged 63 years, who is not dependent on him. He contributed ₹ 3,600 to Central Government Health Scheme during the year. He has incurred ₹ 3,000 in cash on preventive health check-up of himself and his spouse and ₹ 4,000 by cheque on preventive health check-up of his father. Compute the deduction allowable under section 80D for the A.Y. 2023-24. [SM Q.]

Answer 5

## Deduction allowable under section 80D for the A.Y. 2023-24

Particulars		Actual Payment ₹	Maximum deduction allowable ₹
<b>A.</b>	<b>Premium paid and medical expenditure incurred for self and spouse</b>		
(i)	Medical insurance premium paid for self and spouse	20,000	20,000
(ii)	Contribution to CGHS	3,600	3,600
(iii)	Exp. on preventive health check-up of self & spouse	3,000	1,400
		<b>26,600</b>	<b>25,000</b>
<b>B.</b>	<b>Premium paid or medical expenditure incurred for father, who is a senior citizen</b>		
(i)	Mediclaime premium paid for father, who is over 60 years of age	47,000	47,000
(ii)	Expenditure on preventive health check-up of father	4,000	3,000
		<b>51,000</b>	<b>50,000</b>
	Total deduction under section 80D (₹ 25,000 + ₹ 50,000)		75,000

## Notes:

- (1) The total deduction under A. (i), (ii) and (iii) above should not exceed ₹ 25,000. Therefore, the expenditure on preventive health check-up for self and spouse would be restricted to ₹ 1,400, being (₹ 25,000 – ₹ 20,000 – ₹ 3,600).
- (2) The total deduction under B. (i) and (ii) above should not exceed ₹ 50,000. Therefore, the expenditure on preventive health check-up for father would be restricted to ₹ 3,000, being (₹ 50,000 – ₹ 47,000).
- (3) In this case, the total deduction allowed on account of expenditure on preventive health check-up of self, spouse and father is ₹ 4,400 (i.e., ₹ 1,400 + ₹ 3,000), which is within the maximum permissible limit of ₹ 5,000.

## Question 6

Mr. Y, aged 40 years, paid medical insurance premium of ₹ 22,000 during the P.Y. 2022-23 to insure his health as well as the health of his spouse and dependent children. He also paid medical insurance premium of ₹ 33,000 during the year to insure the health of his mother, aged 67 years, who is not dependent on him. He incurred medical expenditure of ₹ 20,000 on his father, aged 71 years, who is not covered under mediclaime policy. His father is also not dependent upon him. He contributed ₹ 6,000 to Central Government Health Scheme during the year. Compute the deduction allowable under section 80D for the A.Y. 2023-24.

[SM Q.]

**Chapter 11: Deductions from Gross Total Income**

**Answer 6**

**Deduction allowable under section 80D for the A.Y.2023-24**

Particulars	₹	₹
(i) Medical insurance premium paid for self, spouse and dependent children	22,000	25,000
(ii) Contribution to CGHS	6,000	
<b>restricted to</b>	28,000	
(iii) Mediclaim premium paid for mother, who is over 60 years of age	33,000	50,000
(iv) Medical expenditure incurred for father, who is over 60 years of age and not covered by any insurance	20,000	
<b>restricted to</b>	53,000	
		<b>75,000</b>

**Question 7**

Mr. B has taken three education loans on April 1, 2022, the details of which are given below:

	Loan 1	Loan 2	Loan 3
For whose education loan was taken	B	Son of B	Daughter of B
Purpose of loan	MBA	B. Sc.	B.A.
Amount of loan (₹)	5,00,000	2,00,000	4,00,000
Annual repayment of loan (₹)	1,00,000	40,000	80,000
Annual repayment of interest (₹)	20,000	10,000	18,000

Compute the amount deductible under section 80E for the A.Y.2023-24.

[SM Q.]

**Answer 7**

Deduction under section 80E is available to an individual assessee in respect of any interest paid by him in the previous year in respect of loan taken for pursuing his higher education or higher education of his spouse or children. Higher education means any course of study pursued after senior secondary examination.

Therefore, interest repayment in respect of all the above loans would be eligible for deduction.

$$\text{Deduction under section 80E} = ₹ 20,000 + ₹ 10,000 + ₹ 18,000 = ₹ 48,000.$$

**Question 8**

Mr. A purchased a residential house property for self-occupation at a cost of ₹ 45 lakh on 1.4.2018, in respect of which he took a housing loan of ₹ 35 lakh from Bank of India@11% p.a. on the same date. The loan was sanctioned on 28th March, 2017. Compute the eligible deduction in respect of interest on housing loan for A.Y.2023-24 under the provisions of the Income-tax Act, 1961, assuming that the entire loan was outstanding as on 31.3.2023 and he does not own any other house property.

[SM Q.]

Answer 8

Particulars	₹
<b>Interest deduction for A.Y.2023-24</b>	
(i) <b>Deduction allowable while computing income under the head "Income from house property"</b>	
Deduction under section 24(b) ₹ 3,85,000 [₹ 35,00,000 × 11%] Restricted to	
(ii) <b>Deduction under Chapter VI-A from Gross Total Income</b>	2,00,000
Deduction under section 80EE ₹ 1,85,000 (₹ 3,85,000 – ₹ 2,00,000) Restricted to	50,000

Question 9

The following are the particulars relating to Mr. A, Mr. B, Mr. C and Mr. D, salaried individuals, for A.Y. 2023-24 –

Particulars	Mr. A	Mr. B	Mr. C	Mr. D
Amount of loan taken	₹ 43 lakhs	₹ 45 lakhs	₹ 20 lakhs	₹ 15 lakhs
Loan taken from	HFC	Deposit taking NBFC	Deposit taking NBFC	Public sector bank
Date of sanction of loan	1.4.2021	1.4.2020	1.4.2020	30.3.2019
Date of disbursement of loan	1.5.2021	1.5.2020	1.5.2020	1.5.2019
Purpose of loan	Acquisition of residential house property for self-occupation	Acquisition of residential house property for self-occupation	Purchase of electric vehicle for personal use	Purchase of electric vehicle for personal use
Stamp duty value of house property	₹ 45 lakhs	₹ 48 lakhs	-	-
Cost of electric vehicle	-	-	₹ 22 lakhs	₹ 18 lakhs
Rate of interest	9% p.a.	9% p.a.	10% p.a.	10% p.a.

Compute the amount of deduction, if any, allowable under the provisions of the Income-tax Act, 1961 for A.Y.2023-24 in the hands of Mr. A, Mr. B, Mr. C and Mr. D. Assume that there has been no principal repayment in respect of any of the above loans upto 31.3.2023.

Particulars	₹
<b>Mr. A</b>	
<b>Interest deduction for A.Y.2023-24</b>	
<b>(i) Deduction allowable while computing income under the head "Income from house property"</b>	
Deduction u/s 24(b) ₹ 3,54,750 [₹ 43,00,000 × 9% × 11/12] Restricted to	2,00,000
<b>(ii) Deduction under Chapter VI-A from Gross Total Income</b>	
Deduction u/s 80EEA ₹ 1,54,750 (₹ 3,54,750 – ₹ 2,00,000) Restricted to	1,50,000
<b>Mr. B</b>	
<b>Interest deduction for A.Y.2023-24</b>	
<b>(i) Deduction allowable while computing income under the head "Income from house property"</b>	
Deduction u/s 24(b) ₹ 4,05,000 [₹ 45,00,000 × 9%] Restricted to	2,00,000
<b>(ii) Deduction under Chapter VI-A</b>	
Deduction u/s 80EEA is not permissible since:	
(i) loan is taken from NBFC	
(ii) stamp duty value exceeds ₹ 45 lakh.	Nil
Deduction under section 80EEA would not be permissible due to either violation listed above.	
<b>Mr. C</b>	
<b>Deduction under Chapter VI-A</b>	
Deduction u/s 80EEB for interest payable on loan taken for purchase of electric vehicle [₹ 20 lakhs × 10% = ₹ 2,00,000, restricted to ₹ 1,50,000, being the maximum permissible deduction]	1,50,000
<b>Mr. D</b>	
<b>Deduction under Chapter VI-A</b>	
Deduction u/s 80EEB is not permissible since loan was sanctioned before 1.4.2019.	Nil

**Question 10**

Mr. Shiva aged 58 years, has gross total income of ₹ 7,75,000 comprising of income from salary and house property. He has made the following payments and investments:

- (i) Premium paid to insure the life of her major daughter (policy taken on 1.4.2018) (Assured value ₹ 1,80,000) – ₹ 20,000.
- (ii) Medical Insurance premium for self – ₹ 12,000; Spouse – ₹ 14,000.
- (iii) Donation to a public charitable institution ₹ 50,000 by way of cheque.
- (iv) LIC Pension Fund – ₹ 60,000.
- (v) Donation to National Children's Fund - ₹ 25,000 by way of cheque
- (vi) Donation to Jawaharlal Nehru Memorial Fund - ₹ 25,000 by way of cheque
- (vii) Donation to approved institution for promotion of family planning - ₹ 40,000 by way of cheque
- (viii) Deposit in PPF – ₹ 1,00,000

Compute the total income of Mr. Shiva for A.Y. 2023-24.

[SM Q.]

**Answer 10**

**Computation of Total Income of Mr. Shiva for A.Y. 2023-24**

Particulars	₹	₹
<b>Gross Total Income</b>		7,75,000
<b>Less: Deduction under section 80C</b>		
Deposit in PPF	1,00,000	
Life insurance premium paid for insurance of major daughter (Maximum 10% of the assured value ₹1,80,000, as the policy is taken after 31.3.2012)	18,000	
	1,18,000	
Deduction under section 80CCC in respect of LIC pension fund	60,000	
	1,78,000	
As per section 80CCE, deduction under section 80C & 80CCC is restricted to		1,50,000
<b>Deduction under section 80D</b>		
Medical Insurance premium in respect of self and spouse	26,000	
Restricted to		25,000
<b>Deduction under section 80G (See Working Note below)</b>		87,500
		<b>5,12,500</b>
<b>Total income</b>		

## Chapter 11: Deductions from Gross Total Income

### Working Note: Computation of deduction under section 80G

	Particulars of donation	Amount donated (₹)	% of deduction	Deduction u/s 80G (₹)
(i)	National Children's Fund	25,000	100%	25,000
(ii)	Jawaharlal Nehru Memorial Fund	25,000	50%	12,500
(iii)	Approved institution for promotion of family planning	40,000	100%, subject to qualifying limit	40,000
(iv)	Public Charitable Trust	50,000	50% subject to qualifying limit (See Note below)	10,000
				<b>87,500</b>

**Note** - Adjusted total income = Gross Total Income - Amount of deductions under section 80C to 80U except section 80G i.e., ₹ 6,00,000, in this case. ₹ 60,000, being 10% of adjusted total income is the qualifying limit, in this case.

Firstly, donation of ₹ 40,000 to approved institution for family planning qualifying for 100% deduction subject to qualifying limit, has to be adjusted against this amount. Thereafter, donation to public charitable trust qualifying for 50% deduction, subject to qualifying limit is adjusted. Hence, the contribution of ₹ 50,000 to public charitable trust is restricted to 20,000 (being, ₹ 60,000 - ₹ 40,000), 50% of which would be the deduction under section 80G. Therefore, the deduction under section 80G in respect of donation to public charitable trust would be ₹ 10,000, which is 50% of ₹ 20,000.

### Question 11

Mr. Ganesh, a businessman, whose total income (before allowing deduction under section 80GG) for A.Y.2023-24 is ₹ 4,60,000, paid house rent at ₹ 12,000 p.m. in respect of residential accommodation occupied by him at Mumbai. Compute the deduction allowable to him under section 80GG for A.Y.2023-24. [SM Q.]

### Answer 11

The deduction under section 80GG will be computed as follows:

(i) Actual rent paid less 10% of total income

$$₹ 1,44,000 (-) \frac{(10 \times 4,60,000)}{100} = ₹ 98,000 \text{ (A)}$$

(ii) 25% of total income =  $\frac{25 \times 4,60,000}{100} = ₹ 1,15,000 \text{ (B)}$

(iii) Amount calculated at ₹ 5,000 p.m. = ₹ 60,000 (C)

Deduction allowable u/s 80GG [least of (i), (ii) and (iii)] = ₹ 60,000

### Question 12

During the P.Y. 2022-23, ABC Ltd., an Indian company,

(1) contributed a sum of ₹ 2 lakh to an electoral trust; and

(2) incurred expenditure of ₹ 25,000 on advertisement in a brochure of a political party.

Is the company eligible for deduction in respect of such contribution/expenditure, assuming that the contribution was made by cheque? If so, what is the quantum of deduction? [SM Q.]

**Answer 12**

An Indian company is eligible for deduction under section 80GGB in respect of any sum contributed by it in the previous year to any political party or an electoral trust. Further, the word "contribute" in section 80GGB has the meaning assigned to it in section 293A of the Companies Act, 1956, and accordingly, it includes the amount of expenditure incurred on advertisement in a brochure of a political party.

Therefore, ABC Ltd. is eligible for a deduction of ₹ 2,25,000 under section 80GGB in respect of sum of ₹ 2 lakh contributed to an electoral trust and ₹ 25,000 incurred by it on advertisement in a brochure of a political party.

It may be noted that there is a specific disallowance under section 37(2B) in respect of expenditure incurred on advertisement in a brochure of a political party. Therefore, the expenditure of ₹ 25,000 would be disallowed while computing business income/gross total income. However, the said expenditure incurred by an Indian company is allowable as a deduction from gross total income under section 80GGB.

**Question 13**

Mr. A has commenced the business of manufacture of computers on 1.4.2022. He employed 350 new employees during the P.Y. 2022-23, the details of whom are as follows –

	No. of employees	Date of employment	Regular/Casual	Total monthly emoluments per employee (₹)
(i)	75	1.4.2022	Regular	24,000
(ii)	125	1.5.2022	Regular	26,000
(iii)	50	1.8.2022	Casual	24,500
(iv)	100	1.9.2022	Regular	24,000

The regular employees participate in recognized provident fund while the casual employees do not. Compute the deduction, if any, available to Mr. A for A.Y. 2023-24, if the profits and gains derived from manufacture of computers that year is ₹ 75 lakhs and his total turnover is ₹ 10.16 crores.

What would be your answer if Mr. A has commenced the business of manufacture of footwear on 1.4.2022? [SM Q.]

**Answer 13**

Mr. A is eligible for deduction under section 80JJAA since he is subject to tax audit under section 44AB for A.Y. 2023-24 and he has employed "additional employees" during the P.Y. 2022-23.

**I If Mr. A is engaged in the business of manufacture of computers**

Additional employee cost = ₹ 24,000 × 12 × 75 [See Working Note below] = ₹ 2,16,00,000

Deduction under section 80JJAA = 30% of ₹ 2,16,00,000 = ₹ 64,80,000.

**Working Note:**

**Number of additional employees**

Particulars	No. of workmen	
Total number of employees employed during the year		350
Less: Casual employees employed on 1.8.2022 who do not participate in recognized provident fund	50	
Regular employees employed on 1.5.2022, since their total monthly emoluments exceed ₹ 25,000	125	

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Particulars	No. of workmen	
	100	275
Regular employees employed on 1.9.2022 since they have been employed for less than 240 days in the P.Y.2022-23.		
Number of "additional employees"		75

Notes –

- (i) Since casual employees do not participate in recognized provident fund, they do not qualify as additional employees. Further, 125 regular employees employed on 1.5.2022 also do not qualify as additional employees since their monthly emoluments exceed ₹ 25,000. Also, 100 regular employees employed on 1.9.2022 do not qualify as additional employees for the P.Y.2022-23, since they are employed for less than 240 days in that year.

Therefore, only 75 employees employed on 1.4.2022 qualify as additional employees, and the total emoluments paid or payable to them during the P.Y.2022-23 is deemed to be the additional employee cost.

- (ii) As regards 100 regular employees employed on 1.9.2022, they would be treated as additional employees for previous year 2023-24, if they continue to be employees in that year for a minimum period of 240 days. Accordingly, 30% of additional employee cost in respect of such employees would be allowable as deduction under section 80JJAA in the hands of Mr. A for the A.Y. 2024-25.

### II If Mr. A is engaged in the business of manufacture of footwear

If Mr. A is engaged in the business of manufacture of footwear, then, he would be entitled to deduction under section 80JJAA in respect of employee cost of regular employees employed on 1.9.2022, since they have been employed for more than 150 days in the previous year 2022-23.

Additional employee cost = ₹ 2,16,00,000 + ₹ 24,000 × 7 × 100 = ₹ 3,84,00,000  
Deduction under section 80JJAA = 30% of ₹ 3,84,00,000 = ₹ 1,15,20,000

### Question 14

Mr. Aakash received royalty of ₹ 2,88,000 from a foreign country for a book authored by him, being a work of literary nature. The rate of royalty is 18% of value of books. The expenditure incurred by him for earning this royalty was ₹ 40,000. The amount remitted to India till 30th September, 2022 is ₹ 2,30,000. The remaining amount was not remitted till 31st March, 2023. Compute the amount includible in the gross total income of Mr. Aakash and the amount of deduction which he will be eligible for under section 80QQB. [SM Q.]

### Answer 14

The net royalty of ₹ 2,48,000 (i.e., royalty of ₹ 2,88,000 less ₹ 40,000, being expenditure to earn such income) is includible in gross total income.

Deduction u/s 80QQB:	₹
Royalty ₹ 2,88,000 × 15/18 = ₹ 2,40,000	
<b>Restricted to</b>	
Amount brought into India in convertible foreign exchange within the prescribed time	2,30,000
Less: Expenses already allowed as deduction while computing royalty income	40,000
<b>Deduction u/s 80QQB</b>	<b>1,90,000</b>

**Question 15**

Mr. A, a resident individual aged 61 years, has earned business income (computed) of ₹ 1,35,000, lottery income of ₹ 1,20,000 (gross) during the P.Y. 2022-23. He also has interest on Fixed Deposit of ₹ 30,000 with banks. He also has interest Provident Fund account. What is the total income of Mr. A for the A.Y. 2023-24, assuming that he does not opt for section 115BAC?

[SM Q.]

**Answer 15**

**Computation of total income of Mr. A for A.Y.2023-24**

Particulars	₹	₹
<b>Profits and gains of business or profession</b>		
<b>Income from other sources</b>		1,35,000
- Interest on Fixed Deposit with banks		30,000
- lottery income		1,20,000
<b>Gross Total Income</b>		<b>2,85,000</b>
<b>Less: Deductions under Chapter VIA [See Note below]</b>		
<b>Under section 80C</b>		
- Deposit in Public Provident Fund	1,50,000	
<b>Under section 80TTB</b>		
- Interest on fixed deposits with banks	30,000	
	1,80,000	
Restricted to		1,65,000
<b>Total Income</b>		<b>1,20,000</b>

**Note:** In case of resident individuals of the age of 60 years or more, interest on bank fixed deposits qualifies for deduction upto ₹ 50,000 under section 80TTB.

Though the aggregate of deductions under Chapter VI-A is ₹ 1,80,000, however, the maximum permissible deduction cannot exceed the gross total income exclusive of long term capital gains taxable under section 112 and section 112A, short-term capital gains covered under section 111A and winnings from lotteries of the assessee.

Therefore, the maximum permissible deduction under Chapter VI-A = ₹ 2,85,000 – ₹ 1,20,000 = ₹ 1,65,000.

**Question 16**

Mr. Gurnam, aged 42 years, has salary income (computed) of ₹ 5,50,000 for the previous year ended 31.03.2023. He has earned interest of ₹ 14,500 on the saving bank account with State Bank of India during the year. Compute the total income of Mr. Gurnam for the assessment year 2023-24 from the following particulars, assuming that he does not opt for section 115BAC:

- (i) Life insurance premium paid to Birla Sunlife Insurance in cash amounting to ₹ 25,000 for insurance of life of his dependent parents. The insurance policy was taken on 15.07.2019 and the sum assured on life of his dependent parents is ₹ 2,00,000.

**Chapter 11: Deductions from Gross Total Income**

- (ii) Life insurance premium of ₹ 25,500 paid for the insurance of life of his major son who is not dependent on him. The sum assured on life of his son is ₹ 3,50,000 and the life insurance policy was taken on 30.3.2012.
- (iii) Life insurance premium paid by cheque of ₹ 22,500 for insurance of his life. The insurance policy was taken on 08.09.2018 and the sum assured is ₹ 2,00,000.
- (iv) Premium of ₹ 26,000 paid by cheque for health insurance of self and his wife.
- (v) ₹ 1,500 paid in cash for his health check-up and ₹ 4,500 paid in cheque for preventive health check-up for his parents, who are senior citizens.
- (vi) Paid interest of ₹ 6,500 on loan taken from bank for MBA course pursued by his daughter.
- (vii) A sum of ₹ 5,000 donated in cash to an institution approved for purpose of section 80G for promoting family planning.

**Answer 16****[SM Q.]****Computation of total income of Mr. Gurnam for the Assessment Year 2023-24**

Particulars	₹	₹	₹
Income from salary			5,50,000
Interest on saving bank deposit			14,500
<b>Gross Total Income</b>			<b>5,64,500</b>
<b>Less: Deduction under Chapter VIA</b>			
<b>Under section 80C (See Note 1)</b>			
Life insurance premium paid for life insurance of:			
- major son	25,500		
- self ₹ 22,500 restricted to 10% of ₹ 2,00,000	20,000	45,500	
<b>Under section 80D (See Note 2)</b>			
Premium paid for ₹ 26,000 health insurance of self and wife by cheque, restricted to	25,000		
Payment made for health check-up for parents	4,500	29,500	
<b>Under section 80E</b>			
For payment of interest on loan taken from bank for MBA course of his daughter		6,500	
<b>Under section 80TTA (See Note 4)</b>			
Interest on savings bank account ₹ 14,500 restricted to		10,000	91,500
<b>Total Income</b>			<b>4,73,000</b>

**Notes:**

- (1) As per section 80C, no deduction is allowed in respect of premium paid for life insurance of parents, whether they are dependent or not. Therefore, no deduction is allowable in respect of ₹ 25,000 paid as premium for life insurance of dependent parents of Mr. Gurnam.

In respect of insurance policy issued on or after 01.04.2012, deduction shall be allowed for life insurance premium paid only to the extent of 10% of sum assured. In case the insurance policy is issued before 01.04.2012, deduction of premium paid on life insurance policy shall be allowed up to 20% of sum assured.

Therefore, in the present case, deduction of ₹ 25,500 is allowable in full in respect of life insurance of Mr. Gurnam's son since the insurance policy was issued before 01.04.2012 and the premium amount is less than 20% of ₹ 3,50,000. However, in respect of premium paid for life insurance policy of Mr. Gurnam himself, deduction is allowable only up to 10% of ₹ 2,00,000 since, the policy was issued on or after 01.04.2012 and the premium amount exceeds 10% of sum assured.

- (2) As per section 80D, in case the premium is paid in respect of health of a person specified therein and for health check-up of such person, deduction shall be allowed up to ₹ 25,000. Further, deduction up to ₹ 5,000 in aggregate shall be allowed in respect of health check-up of self, spouse, children and parents. In order to claim deduction under section 80D, the payment for health-checkup can be made in any mode including cash. However, the payment for health insurance premium has to be paid in any mode other than cash.

Therefore, in the present case, in respect of premium of ₹ 26,000 paid for health insurance of self and wife, deduction would be restricted to ₹ 25,000. Since the limit of ₹ 25,000 has been exhausted against medical insurance premium, no deduction is allowable for preventive health check-up for self and wife. However, deduction of ₹ 4,500 is allowable in respect of health check-up of his parents, since it falls within the limit of ₹ 5,000.

- (3) No deduction shall be allowed under section 80G in case the donation is made in cash of a sum exceeding ₹ 2,000. Therefore, deduction under section 80G is not allowable in respect of **cash donation** of ₹ 5,000 made to an institution approved for the purpose of section 80G for promotion of family planning.
- (4) As per section 80TTA, deduction shall be allowed from the gross total income of an individual or Hindu Undivided Family in respect of income by way of interest on deposit in the savings account included in the assessee's gross total income, subject to a maximum of ₹ 10,000. Therefore, deduction of ₹ 10,000 is allowable from the gross total income of Mr. Gurnam, though the interest from savings bank account is ₹ 14,500.

### Question 17

Examine the following statements with regard to the provisions of the Income-tax Act, 1961:

- (i) During the financial year 2022-23, Mr. Amit paid interest on loan availed by him for his son's higher education. His son is already employed in a firm. Mr. Amit will get the deduction under section 80E.
- (ii) Subscription to notified bonds of NABARD would qualify for deduction under section 80C.
- (iii) In order to be eligible to claim deduction under section 80C, investment /contribution/ subscription etc. in eligible or approved modes, should be made from out of income chargeable to tax.
- (iv) Where an individual repays a sum of ₹ 30,000 towards principal and ₹ 14,000 as interest in respect of loan taken from a bank for pursuing eligible higher studies, the deduction allowable under section 80E is ₹ 44,000.
- (v) Mrs. Sheela, widow of Mr. Satish (who was an employee of M/s. XYZ Ltd.), received ₹ 7 lakhs on 1.5.2022, being amount standing to the credit of Mr. Satish in his NPS Account, in respect of which deduction has been allowed under section 80CCD to Mr. Satish in the earlier previous years. Such amount received by her as a nominee on closure of the account is deemed to be her income for A.Y.2023-24.
- (vi) Mr. Vishal, a Central Government employee, contributed ₹ 50,000 towards Tier II account of NPS. The same would be eligible for deduction under section 80CCD.

[SM Q.]

Answer 17

- (i) **The statement is correct.** The deduction under section 80E available to an individual in respect of interest on loan taken for his higher education or for the higher education of his relative. For this purpose, relative means, inter alia, spouse and children of the individual. Therefore, Mr. Amit will get the deduction under section 80E in respect of interest on loan availed by him for his son's higher education. It is immaterial that his son is already employed in a firm. This would not affect Mr. Amit's eligibility for deduction under section 80E.
- (ii) **The statement is correct.** Under section 80C(2) subscription to such bonds issued by NABARD (as the Central Government may notify in the Official Gazette) would qualify for deduction under section 80C.
- (iii) **The statement is not correct.** There is no stipulation under section 80C that the investment, subscription, etc. should be made from out of income chargeable to tax.
- (iv) **The statement is not correct.** Deduction under section 80E is in respect of interest paid on education loan. Hence, the deduction will be limited to ₹14,000.
- (v) **The statement is not correct.** The proviso to section 80CCD(3) provides that the amount received by the nominee, on closure of NPS account on the death of the assessee, shall not be deemed to be the income of the nominee. Hence, amount received by Mrs. Sheela would not be deemed to be her income for A.Y. 2023-24.
- (vi) **The statement is not correct.** Contribution to Tier II account of NPS would qualify for deduction under section 80C and not section 80CCD.

Question 18

Examine the allowability of the following:

- (i) Rajan has to pay to a hospital for treatment ₹ 62,000 and spent nothing for life insurance or for maintenance of dependent disabled.
- (ii) Raja, a resident Indian, has spent nothing for treatment in the previous year and deposited ₹ 25,000 with LIC for maintenance of dependant disabled.
- (iii) Rajan has incurred ₹ 20,000 for treatment and ₹ 25,000 was deposited with LIC for maintenance of dependant disabled.
- (iv) Payment of ₹ 50,000 by cheque to an electoral trust by an Indian company. [SM Q.]

Answer 18

- (i) The deduction of ₹ 75,000 under section 80DD is allowed, irrespective of the amount of expenditure incurred or paid by the assessee. If the expenditure is incurred in respect of a dependant with severe disability, the deduction allowable is ₹ 1,25,000.
- (ii) The assessee Rajan has deposited ₹ 25,000 for maintenance of dependent disabled. The assessee is, however, eligible to claim ₹ 75,000 since the deduction of ₹ 75,000 is allowed, irrespective of the amount deposited with LIC. In the case of dependant with severe disability, the deduction allowable is ₹ 1,25,000.
- (iii) Section 80DD allows a deduction of ₹ 75,000 irrespective of the actual amount spent on maintenance of a dependent disabled and/or actual amount deposited with LIC. Therefore, the deduction will be ₹ 75,000 even though the total amount incurred/ deposited is only ₹ 45,000. If the dependant is a person with severe disability the quantum of deduction is ₹ 1,25,000.
- (iv) Amount paid by an Indian Company to an electoral trust is eligible for deduction under section 80GGB from gross total income, since such payment is made otherwise than by way of cash.

**Question 19**

For the Assessment year 2023-24, the Gross Total Income of Mfr. Chaturvedi, a resident in India, was ₹ 8,18,240 which includes long-term capital gain of ₹ 2,45,000 taxable under section 112 and Short-term capital gain of ₹ 58,000. The Gross Total Income also includes interest income of ₹ 12,000 from savings bank deposits with banks and ₹ 40,000 interest on fixed deposits with banks. Mr. Chaturvedi has invested in PPF ₹ 1,20,000 and also paid a medical insurance premium ₹ 51,000. Mr. Chaturvedi also contributed ₹ 50,000 to Public Charitable Trust eligible for deduction under section 80G by way of an account payee cheque. Compute the total income and tax thereon of Mr. Chaturvedi, who is 70 years old as on 31.3.2023. Ignore the provisions of section 115BAC. [SM Q.]

**Answer 19**

**Computation of total income and tax payable by Mr. Chaturvedi for the A.Y. 2023-24**

Particulars	₹	₹
Gross total income including long term capital gain		8,18,240
Less: Long term capital gain		2,45,000
		5,73,240
Less: Deductions under Chapter VI-A:		
Under section 80C in respect of PPF deposit	1,20,000	
Under section 80D (it is assumed that premium of ₹ 51,000 is paid by otherwise than by cash. The deduction would be restricted to ₹ 50,000, since Mr. Chaturvedi is a senior citizen)	50,000	
Under section 80G (See Notes 1 & 2 below)	17,662	
Under section 80TTB (See Note 3 below)	50,000	2,37,662
<b>Total income (excluding long term capital gains)</b>		<b>3,35,578</b>
<b>Total income (including long term capital gains)</b>		<b>5,80,578</b>
<b>Total income (rounded off)</b>		<b>5,80,580</b>
<b>Tax on total income (including long-term capital gains of ₹ 2,45,000)</b>		
LTCG ₹ 2,45,000 x 20%		49,000
Balance total income ₹ 3,35,580 (See Note 4 below)		1,779
		50,779
		2,031
Add: Health and Education cess @4%		<b>52,810</b>
<b>Total tax liability</b>		

## Chapter 11: Deductions from Gross Total Income

Notes:

### 1. Computation of deduction under section 80G:

Particulars	₹
Gross total income (excluding long term capital gains)	5,73,240
Less : Deduction under section 80C, 80D & 80TTB	2,20,000
	<b>3,53,240</b>
10% of the above	35,324
Contribution made	50,000
Lower of the two eligible for deduction under section 80G	35,324
<b>Deduction under section 80G – 50% of ₹ 35,324</b>	<b>17,662</b>

- Deduction under section 80G is allowed only if amount is paid by any mode other than cash, in case of amount exceeding ₹ 2,000. Therefore, the contribution made to public charitable trust is eligible for deduction since it is made by way of an account payee cheque.
- Deduction of upto ₹ 50,000 under section 80TTB is allowed to a senior citizen if gross total income includes interest income on bank deposits, both fixed deposits and savings account.
- Mr. Chaturvedi, being a senior citizen is eligible for a higher basic exemption of ₹ 3,00,000.

### Question 20

Mr. Rajmohan whose gross total income was ₹ 6,40,000 for the financial year 2022-23, furnishes you the following information:

- Stamp duty paid on acquisition of residential house (self-occupied) - ₹ 50,000.
- Five year post office time deposit - ₹ 20,000.
- Donation to a recognized charitable trust ₹ 25,000 which is eligible for deduction under section 80G at the applicable rate.
- Interest on loan taken for higher education of spouse paid during the year - ₹ 10,000.

Compute the total income of Mr. Rajmohan for the Assessment year 2023-24, assuming that he has not opted for section 115BAC. [SM Q.]

### Answer 20

#### Computation of total income of Mr. Rajmohan for the A.Y.2023-24

Particulars	₹	₹
Gross Total Income		6,40,000
Less: <b>Deduction under Chapter VI-A</b>		
<b><u>Under section 80C</u></b>		
Stamp duty paid on acquisition of residential house	50,000	
Five year time deposit with Post Office	20,000	
	70,000	
<b><u>Under section 80E</u></b>		
Interest on loan taken for higher education of spouse, being a relative.	10,000	
<b><u>Under section 80G (See Note below)</u></b>		
Donation to recognized charitable trust (50% of ₹ 25,000)	12,500	92,500
<b>Total Income</b>		<b>5,47,500</b>

## Chapter 11: Deductions from Gross Total Income

**Note:** In case of deduction under section 80G in respect of donation to a charitable trust, the net qualifying amount has to be restricted to 10% of adjusted total income, i.e., gross total income less deductions under Chapter VI-A except 80G. The adjusted total income is, therefore, ₹ 5,60,000 (i.e. 6,40,000 – ₹ 80,000), 10% of which is ₹ 56,000, which is higher than the actual donation of ₹ 25,000. Therefore, the deduction under section 80G would be ₹ 25,000, being 50% of the actual donation of ₹ 25,000.

### Question 21

Compute the eligible deduction under Chapter VI-A for the A.Y. 2023-24 of Ms. Roma, aged 40 years, who has a gross total income of ₹ 15,00,000 for the A.Y. 2023-24 and provides the following information about her investments/payments during the P.Y. 2022-23: [SM Q.]

Sl. No.	Particulars	Amount (₹)
1.	Life Insurance premium paid (Policy taken on 31-03-2012 and sum assured is ₹ 4,40,000)	35,000
2.	Public Provident Fund contribution	1,50,000
3.	Repayment of housing loan to Bhartiya Mahila Bank, Bangalore	20,000
4.	Payment to L.I.C. Pension Fund	1,40,000
5.	Mediclaim Policy taken for self, wife and dependent children, premium paid by cheque	30,000
6.	Medical Insurance premium paid by cheque for parents (Senior Citizens)	52,000

### Answer 21

#### Computation of eligible deduction under Chapter VI-A of Ms. Roma for A.Y. 2023-24

Particulars	₹	₹
<b>Deduction under section 80C</b>		
Life insurance premium paid ₹ 35,000 (allowed in full since the same is within the limit of 20% of the sum assured, the policy being taken before 1.4.2012)	35,000	
Public Provident Fund	1,50,000	
Repayment of housing loan to Bhartiya Mahila Bank, Bangalore	20,000	
	2,05,000	
<b>Restricted to a maximum of ₹ 1,50,000</b>	<b>1,50,000</b>	
<b>Deduction under section 80CCC for payment towards LIC pension fund</b>		
	1,40,000	
	2,90,000	
As per section 80CCE, aggregate deduction under, inter alia, section 80C and 80CCC, is restricted to		1,50,000

### Chapter 11: Deductions from Gross Total Income

Particulars	₹	₹
<b>Deduction under section 80D</b>		
Payment of medical insurance premium of ₹ 30,000 towards medical policy taken for self, wife and dependent children restricted to	25,000	
Medical insurance premium paid ₹ 52,000 for parents, being senior citizens, restricted to	50,000	
<b>Eligible deduction under Chapter VI-A</b>		<b>2,25,000</b>

#### Question 22

Compute the deduction available to Mr. Dhyanchand under Chapter VI-A for A.Y.2023-24. Mr. Dhyanchand, aged 65 years, is working with ABC Ltd. His income comprises of salary of ₹ 18,50,000 and interest on fixed deposits of ₹ 75,000. He submits the following particulars of investments and payments made by him during the previous year 2022-23:

- Deposit of ₹ 1,50,000 in public provident fund
- Payment of life insurance premium of ₹ 62,000 on the policy taken on 01.4.2017 to insure his life (Sum assured – ₹ 4,00,000).
- Deposit of ₹ 45,000 in a five year term deposit with bank.
- Contributed ₹ 2,10,000, being 15% of his salary (basic salary plus dearness allowance, which forms part of retirement benefits) to the NPS of the Central Government. A matching contribution was made by ABC Ltd.
- On 1.4.2022, mediclaim premium of ₹ 1,08,000 and ₹ 80,000 paid as lumpsum to insure his and his wife (aged 58 years) health, respectively for four years
- Incurred ₹ 46,000 towards medical expenditure of his father, aged 85 years, not dependent on him. No insurance policy taken for his father.
- He spent ₹ 6,000 for the preventive health-check up of his wife.
- He has incurred an expenditure of ₹ 90,000 for the medical treatment of his mother, being a person with severe disability.

Answer 22

[MTP Q.]

#### Deduction available to Mr. Dhyanchand under Chapter VI-A for A.Y.2023-24

Section	Particulars	₹	₹
80C	Deposit in public provident fund	1,50,000	
	Life insurance premium paid ₹ 62,000 (deduction restricted to ₹ 40,000, being 10% of ₹ 4,00,000, which is the sum assured, since the policy was taken on or after 01.04.2012)	40,000	
	Five year term deposit with bank	45,000	1,50,000
		2,35,000	
80CCD(1)	Restricted to		1,40,000
	Contribution to NPS of the Central Government, ₹ 1,60,000 [₹ 2,10,000 – ₹ 50,000, being deduction under section 80CCD(1B)], restricted to 10% of salary [₹ 2,10,000 x 10/15] [See Note 1]		
			<b>2,90,000</b>

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**Chapter 11: Deductions from Gross Total Income**

Section	Particulars	₹	₹
80CCE	Aggregate deduction under section 80C and 80CCD(1), ₹ 2,90,000, but restricted to		1,50,000
80CCD(1B)	₹ 50,000 would be eligible for deduction in respect of contribution to NPS of the Central Government		50,000
80CCD(2)	Employer contribution to NPS, restricted to 10% of salary [See Note 2]		1,40,000
80D	(i) (a) Medical insurance premium for self and his wife, deduction would be equal to ₹ 47,000 (₹ 27,000 + ₹ 20,000), being 1/4th of lumpsum premium, since policies would be in force for four previous years.	47,000	
	(b) Preventive health check up ₹ 6,000 for wife restricted to ₹ 3,000 (₹ 50,000 - ₹ 47,000, since maximum allowable deduction is ₹ 50,000 in case assessee or one of the family member is senior citizen)		3,000
			50,000
	(ii) Medical Expenditure for his father would be fully allowed as deduction, since no insurance policy is taken on his name	46,000	
	<b>Total of (i) and (ii)</b>		96,000
80DD	Deduction of ₹ 1,25,000 in respect of expenditure on medical treatment of his mother, being a person with severe disability would be allowed irrespective of the fact that amount of expenditure incurred is ₹ 90,000		1,25,000
80TTB	Interest on fixed deposits with bank of ₹ 75,000, deduction restricted to		50,000
<b>Deduction under Chapter VI-A</b>			<b>6,11,000</b>

**Notes:**

- (1) The deduction under section 80CCD(1B) would not be subject to overall limit of ₹ 1.50 lakh under section 80CCE. Therefore, it is more beneficial for Mr. Dhyanchand to claim deduction under section 80CCD(1B) first in respect of contribution to NPS. Thereafter, the remaining amount of ₹ 1,60,000 can be claimed as deduction under section 80CCD(1), subject to a maximum limit of 10% of salary i.e. ₹ 1,40,000.
- (2) The entire employer's contribution to notified pension scheme has to be first included under the head "Salaries" while computing gross total income and thereafter, deduction under section 80CCD(2) would be allowed, subject to a maximum of 10% of salary. Deduction under section 80CCD(2) is also not subject to the overall limit of ₹ 1,50,000 under section 80CCE.

## Chapter 11: Deductions from Gross Total Income

### Question 23

Deepak is retired Government Officer, aged 65 years, resides in Hyderabad, derived following income:

	₹
Pension	6,60,000
Interest from bank on fixed deposits (Gross)	55,000

Compute the total income of Mr. Deepak for the assessment year 2023-24 from the following particulars:

- Life insurance premium paid by cheque ₹ 22,500 for insurance of his life. The insurance policy was taken on 08-09-2016 and the sum assured is ₹ 2,00,000.
- Premium of ₹ 26,000 paid by cheque for health insurance of self and his wife.
- Paid interest of ₹ 6,500 on loan taken from bank for MBA course pursued by his daughter.
- A sum of ₹ 15,000 donated in cash to an institution approved for the purpose of section 80G for promoting family planning.

Answer 23

### Computation of total income of Mr. Deepak for A.Y.2023-24

Particulars	₹	₹
<b>Income under the head "Salaries"</b>		
Pension	6,60,000	
Less: Standard deduction u/s 16(ia) Lower of ₹ 50,000 or actual salary/pension	50,000	6,10,000
<b>Income from Other Sources</b>		
Interest from bank on fixed deposit (Gross)		55,000
<b>Gross Total Income</b>		<b>6,65,000</b>
Less: Deduction under Chapter VI-A		
<b>Deduction under section 80C</b>		
LIC premium of ₹ 22,500 (restricted to 10% of ₹ 2,00,000, being the sum assured, as the policy is taken after 31.3.2012)	20,000	
<b>Deduction under section 80D</b>		
Premium for health insurance for self and his wife paid by cheque, allowed upto ₹ 50,000 since Mr. Deepak is a senior citizen	26,000	
<b>Deduction under section 80E</b>		
Interest on loan taken from bank for MBA course pursued by his Daughter	6,500	

Particulars	₹	₹
<b>Deduction under section 80G</b>		
Donation to an approved institution for promoting family planning not allowed since the amount exceeding ₹ 2,000 is paid in cash	Nil	
<b>Deduction under section 80TTB</b>		
Interest on fixed deposit with bank allowable as deduction upto ₹50,000, since Mr. Deepak is a senior citizen	50,000	
		1,02,500
<b>Total Income</b>		<b>5,62,500</b>

**Question 24**

Mr. X is a resident individual. He deposits a sum of ₹ 50,000 with Life Insurance Corporation every year for the maintenance of his disabled grandfather who is wholly dependent upon him. The disability is one which comes under the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995. A copy of the certificate from the medical authority is submitted. Compute the amount of deduction available under section 80DD for the A.Y. 2023-24.

What will be the deduction if Mr. X had made this deposit for his dependant father? [SM Q.]

**Answer 24**

Since the amount deposited by Mr. X was for his grandfather, he will not be allowed any deduction under section 80DD. The deduction is available if the individual assessee incurs any expense for a "dependant" disabled person. Grandfather does not come within the meaning of "dependant" as defined under section 80DD.

If the expense was incurred for a dependant disabled person, Mr. X will be entitled to claim a deduction of ₹ 75,000 under section 80DD, irrespective of the amount deposited. In case his father has severe disability, the deduction would be ₹ 1,25,000.