

**MOST Expected  
61 POINTS**

**Income TAX**

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# Income TAX TOP 61 Points FOR EXAMS

- ① Default scheme - 115BAC + Rebate + SuR - chart book
- ② Normal Regime - FA + Rebate + SuR - chart book
- ③ special Income Treatment - chart book
- ④ Section - 6 Exception with 6C(A) - chart book
- ⑤ Rent Received - means 30% std deduction minus karna hai then Income. Aaegi
- ⑥ Salary Received then std deduction 50K/75K minus karna hai
- ⑦ Income from HP / Income from Salary / Computer word then Nothing to do with it.
- ⑧ Agriculture Income arise in India → Exempt for All
- ⑨ Agriculture Income arise ois India - Tax only RoR & Received ois India  
↳ but Received in India - TAX for All

⑩ Interest, lottery, Commission (Net)  
means TDS Deduct Ho chuka hai  
GROSS KARO and then Income me add  
KARO.

⑪ 194C - Own lo @ less Goods Carriage + Business  
of Plying, Hiring + furnish PAN = No TDS

⑫ Payment to State Govt, Central Govt = No TDS

⑬ No deduction of Int on loan u/s 24(b)  
in case of SoP) Son if avail 115BAC.

⑭ under default scene HF loss can't  
be set off with other head @ can't  
be C/F.

⑮ Any loss Can't set off with Casual Income

⑯ PCBP @ Capital Gains losses Can't be  
CIF if RoI Not filed with in time  
limit

⑰ PAN Card is Not Mandatory for Sale  
of Scooter

⑱ Municipal TAX Paid by owner during the  
P.Y Allowed as deduction w/h HP.

⑲ Capital Gain Computation Chart  
with Tax Rates + Sec-50C + Sec 51 +  
Sec 45(2). Chart book

⑳ Transfer of MP = Laptop / Mobile = 50% WDV C.Y  
by ex to ee. CAR = 20% WDV C.Y  
Other = 10% SLM C.Y

## ② Book Profit Computation

Net Profit (before deduction of Depreciation,  
Salary and Interest) = XXXX

(-) Depreciation @ 32 = XXXX

(-) Interest up to 12% = XXXX

Book Profit XXXX

Net Profit (after Dep, Salary and Int) XXXX

+ Salary to All Partners XXXX

+ Interest in excess of 12% XXXX

Book Profit XXXX

(22)

## Deduction u/s 40(b)

Remuneration, Bonus, Commission allowed only to working Partner ←

$$\begin{aligned} \text{I}^{\text{st}} \text{ } 6,00,000 \text{ BP @ } 10\% &= 90\% \text{ of BP} \\ &\text{@} \\ &3,00,000 \\ &\underline{\hspace{10em}} \\ &\text{Higher)} \end{aligned}$$

$$\text{Balance BP} = 60\% \text{ of BP}$$

# Interest Allowed to All Partner upto 12% P.a.

23) Individual, HUF Total Income before giving deduction u/cv/a and the effect Section 54, 54EC, 54D exceeds the basic Exemption limit

## 24) ROI Filing Mandatory

- **Other Persons** (Not Company or Firm) Meeting Specific Criteria
    - Deposits in current accounts > ₹1 crore.
    - Foreign travel expenses > ₹2 lakh.
    - Electricity consumption > ₹1 lakh.
    - Other prescribed conditions.
  - **Additional Criteria** for Compulsory Filing (If not otherwise required under Section 139(1)):
    - Business Turnover > ₹60 lakh (previous year).
    - Professional **Gross Receipts** > ₹10 lakh (previous year).
    - **TDS + TCS** Aggregate ≥ ₹25,000 (for residents) / ₹50,000 (for senior citizens aged 60+).
    - Savings Bank Deposits ≥ ₹50 lakh (during previous year).
- Due Dates for Filing Return**
- **31st October** - Companies, entities requiring audit, and partners of firms requiring audit.
  - **30th November** - Assessee required to file a report under Section 92E (international transactions).
  - **31st July** - All other assesseees.

## 25) AADHAR Linking with PAN Not Required

→ Residing in the State of Assam, J/K and Meghalaya

→ A Non-Resident

→ at the age of 80 Year or more at any time during the P.Y

→ Not a citizen of India.

26 Interest on Income Tax Refund Taxable  
in other Sources (Amount of I-TAX  
Refund not taxable)

- 27
- |   | <u>Bus Income</u> | <u>AI</u> |
|---|-------------------|-----------|
| • Income from Sale of Goods derived from Rubber Plant             | 35%               | 65%       |
| • Income from Sale of Coffee grown, cured, roasted, and grounded. | 40%               | 60%       |
| • Income from Sale of Tea grown and manufactured.                 | 40%               | 60%       |

28 Employer Contribution in NPS

I<sup>st</sup> added in Salary then Allowed deduction

u/s 80CCD(2) - 14% of [BS + DA (Total)]

29 COA u/s 112A = Higher of (a) and (b)

a) Actual Cost

b) (i) FMV on 31/12 - Highest FMV (L)  
(ii) Sale Price

30) Section- 194 IA - SC @ SDV > 50 L  
then 1% of Higher Value TDS.

31) Municipal TAX paid not allowed as deduction  
in case of SOP/SOH.

32) Fee of default in furnishing of RoI u/s 234F

- TI upto 5,00,000 = Max 1000
- TI more than 500000 = 5000

33) Royalty from artistic book after deduction  
of expenditure is to be taxable u/n OS  
and claim deduction u/s 80CQB.

34) Section 10AA deduction not Allowed since  
he commence operation in P.Y 2122. (10AA  
Not Allowed if Bus Comm after 31/3/20).

35) Tuition fee paid for maximum of two children is allowed as deduction u/s 80C.

36) For life insurance and PPF family means?

→ Self, Spouse, children (dependent @ not)

→ Parents, Grand parents NOT covered.

37) Return not filing consequence

→ Interest u/s 234A — @ 1% P.m @ part

→ fees u/s 234F → 1000 @ 5000 as the case may be.

→ Buss, CA loss - Can't be C/F

38) Amounts of Rent / Unrealised Rent Taxable after the deduction of 30%.

39) Share of Profit from firm is Exempt u/s 10(2A)

35) Sec-194A - Interest on FD + Senior citizen - Limit 50,000

36) 194I = Aggregat limit 2,00,000 p.a. - 10%  
After limit

37) 206C(1F) - CAR Consideration > 10% = 1% TCS

38) Advance received from closely held company  
is taxable Deemed dividend.

39) Preventive M.C Allowed deduction Max  
5000 (whether in cash)

40) Limit of 194J =

a) Profit fees	} 3,00,000 Limit each
b) Technical service	
c) Royalty	
d) Director sitting fee	↳ No limit

(41) Revised Return and late Return time

Limit upto 31/12 of A.Y.

(42) Company, @ other person, Audit is compulsory

Not require to file Return through TRP.

(43) updated Return

1) Return filed upto 24 month from the end of A.Y

→ Filed upto 1yr = 25% Addl. I-TAX of  
(TAX + Int)

→ Filed after 12m before 24m = 50% Addl I-TAX  
(TAX + Int)

(44) Transfer of Capital Asset in Reverse Mortgage is NOT Taxable.

(45) Slump Sale = FVOC = ASP @ FMV = Higher

NET WORTH = Asset - Liab  
↓

DEPRECIABLE = WDV

OTHER = BOOK VALUE

→ Revaluation Ignored.

(46) Advance forfeited before 1/4/01 - reduced from COA  
and w.e.f 1/4/14 - I/P/05

(47) Col Incurred before 1/4/01 - Ignored

(48) Sec 54 = upto 2cr only = 2 House Allowed in Indig  
More than 2cr = 1 House in Indig Max 1cr

(49) Sec 54 EC = Max 50 lakh Exemption

(50) Buy Back - B.B Price - Deemed dividend  
Cost of Share = Capital loss.

# SALARY Adjustment

- ① Fixed Medical Allowance **fully Taxable**
- ② Dearness Allowance **fully Taxable** at the time of Computation of Gross Salary.

- ③
  - Gratuity (Not cover under G. Act)
  - Leave Salary
  - HRA
  - VRS
  - RPF
  - RFA

DA (UTOE),  
Means retirement  
benefit.

Gratuity - Covered under G. Act - **DA (Full Amt)**

- ④ Reimbursement of Medical Exp = **fully Tax**  
except special cases.

- ⑤ Medical / Health Ins. Premium Paid for ce = **exempt**

⑥ Reimbursement of Domestic Servant = Fully TAX

⑦ Value of Equity share allowed

→ Free of GST = FMO taxable

→ Amt Charged from ee = FMV - Amt Charged

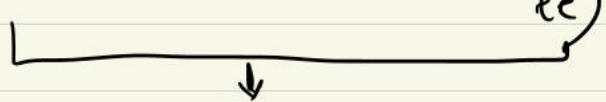
⑧ Prof. TAX Ist Added then paid by ee - deduction but No deduction default scheme.

⑨ RFA - owned by ee = Upto 15L = 5%  
>15L - 40L = 7.5%  
>40L = 10% } of Salary

⑩ CAR - owned & Exp by employer = Partly use  
1800 Pm - 1.6Ltr  
2400 Pm - 2.16Ltr  
+ 900 Pm drive

⑪ Gift Voucher - fully Taxable (Assume convertible in money)

⑫ Interest on loan (SBI Rate on 1<sup>st</sup> APRIL (-) Amount paid by ee)



loan o/s balance  $\times$  Interest Rate.

⑬ Telephone, Mobile, laptop, Computer use by ee always taxable NIL.

## Adjustments in PGBP Question, if P/L A/c Given in Ques

Net Profit / Profit as per Books of A/c, C.A.C.T. 13      XXXX

Add: Expenditure / Deductions not Allowed @ items

If debited &  
in P/L A/c

added while Computing PGBP Income

- 1) Advertisement in Magazine, Souvenir of P. Party      XXXX
- 2) GST Penalty for Delay filing of Return / Pmt      XXXX
- 3) Loss on Sale of Asset | loss on Destruction of Asset      XXXX
- 4) Undervalued - closing Stock      XXXX
- 5) Overvalued - opening Stock      XXXX
- 6) Amount paid to Employee welfare trust      XXXX
- 7) Compounding fees for breach of law      XXXX
- 8) Provision of Gratuity Based on      XXXX

Actuarial Valuation

- 9) Excessive Payment / Unreasonable Pmt (i.e. more than FMV) u/s 40A(2)      XXXX

- 10) Payment of Interest paid to Co-op Bank XXXX  
Cij paid after due date of RoI)
- 11) Contribution in employee Pension fund XXXX  
in excess of 14% of (Basic + DA)
- 12) Provision for Doubtful Debts XXXX
- 13) CSR Related Expenditure XXXX
- 14) Illegal Expenditure [bribe, secret comm) XXXX
- 15) Provision for Deferred TAX XXXX
- 16) Provision for Income TAX XXXX
- 17) Free bees / GIFT to Doctor XXXX
- 18) Bonus Payable not paid XXXX
- 19) Expenditure Payment without deduction  
of TDS (or) Deducted but not paid  
before the D/D of RoI (NR) XXXX
- 20) TDS Not Deducted / Not paid (R) XXXX 30%

21) 4/5<sup>th</sup> expenditure of VRS & Amalgamation XXXX  
Expenditure

22) Payment in CASH, B-Chere, cross XXXX  
Chere more than 10,000

23) Provision for loss of Subsidiary XXXX

24) Expenditure Related to Direct TAX XXXX

25) Interest on loan taken for payment XXXX  
of Income TAX

26) Add. Deb Allowed if opt u/s 115BAC XXXX

27) Bad debts Recovery XXXX

28) Donation to Swachh Bharat Kosh XXXX

29) Int to Partner in EXCESS of 12% XXXX

30) Tax paid by Employer on non-resident XXXX  
Perquisite

31) Interest on loan Borrow for Acquire Shares XXXX

32) Depreciation as per SCM method XXXX

33) Payment made to P-Party by cheque XXXX

34) Interest on loan taken for purchase XXXX

of P/M - Interest from the date on

which Capital borrowed till the date on

which Asset being Ist P-T-U Not

Allowed.

35) Purchase of Goods at a price XXXX

higher than Fmv

36) Purchase Cost of Asset (if debited in PLU) XXXX

37) Municipal Tax paid in respect of HP XXXX

38) Interest on loan for PWR (const) Repair  
of HP. XXXX

39) CAR Expenditure related to Personal use XXXX

40) Interest to bank on term loan  
after due date of RoI XXXX

41) Contribution to PM Relief fund XXXX

42) loss on sale of shares XXXX

43) Sum Payable to Micro enterprises  
Not Allowed since payment done  
after time limit specified in  
MSE ACT. XXXX

## LESS: Deduction Allowed items to be deducted from Income

- 1) Income TAX Refund & Interest <sup>↗ (OS)</sup> XXXX
- 2) overvalued closing stock XXXX
- 3) Under valued opening stock XXXX
- 4) Expenditure on issue of Bonus share XXXX
- 5) loss of theft, Deceit if related to Bus XXXX
- 6) Employer Contribution to EPF if Paid XXXX  
before Due Date of Ro1
- 7) Dividend Received from D-Co / F-Co XXXX
- 8) Actual Gratuity paid XXXX
- 9) STT paid XXXX
- 10) Lottery, betting, gambling etc XXXX
- 11) Int on debentures, loan etc XXXX
- 12) Rent Received from property
- 13) Bad - debts, Deb (wdu),  
Other Business Related Exp XXXX