

Question :-

Profit and loss A/c

To Municipal tax payable paid By owner + (Related to HP)	100,000	By gross profit	70,00,000
To Dep (SLM) +	250,000	Income from lottery (-)	15,00,000
To provision for D/D +)	80,000	Dividend from Domestic Co (-)	400,000
To Bonus paid to ee	40,000	Perquisite Received during Buss/proft	500,000
To Interest paid Repair of H.P (+)	40,000	By profit on sale of DFR (-)	10,00,000
To Advertisement Ex. paid	100,000	By Rent from H.P (-)	600,000
	1,03,90,000		
	1,10,00,000		1,10,00,000

Other Information

- 1) Dep (WDV) = 45,000 (-)
- 2) Profit on sale of IEL = 8,00,000 (+)
- 3) Salary = 20,000 p.m (part time job)
- 4) Interest on FD = 2,00,000 x

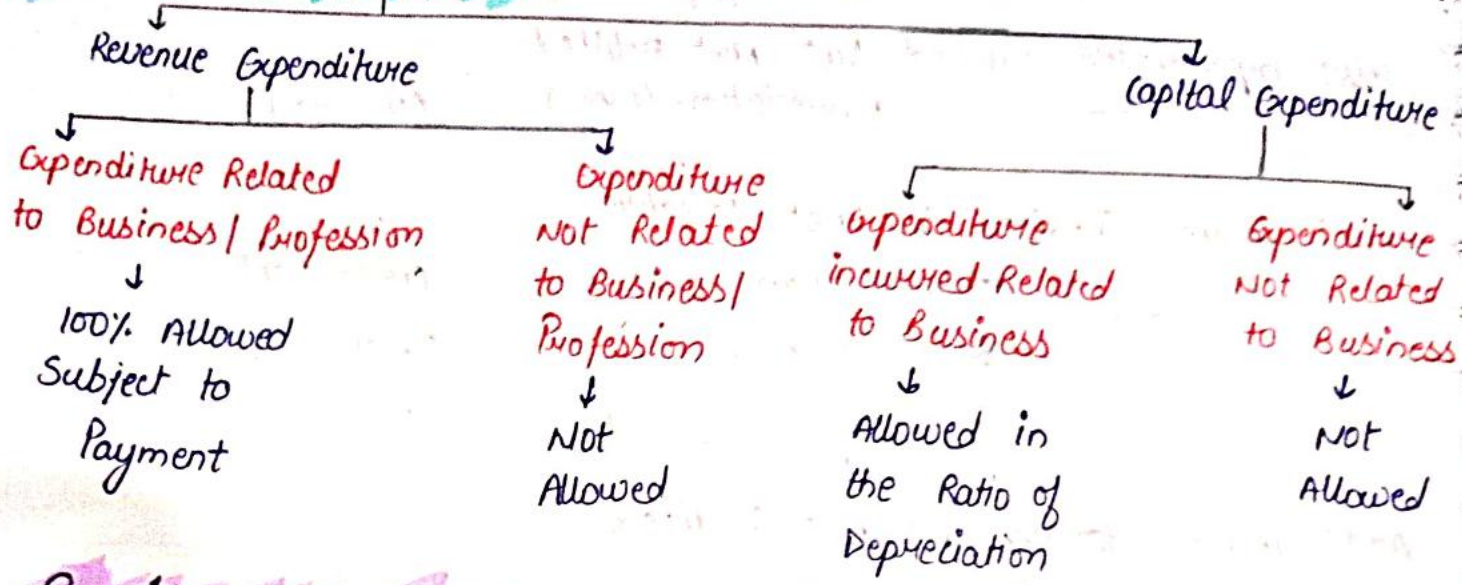
Compute total Income and Tax liability if Age of Such person is 28 year and opt sec 115 BAE, default tax Regime.

Solution:- Computation final Tax liability

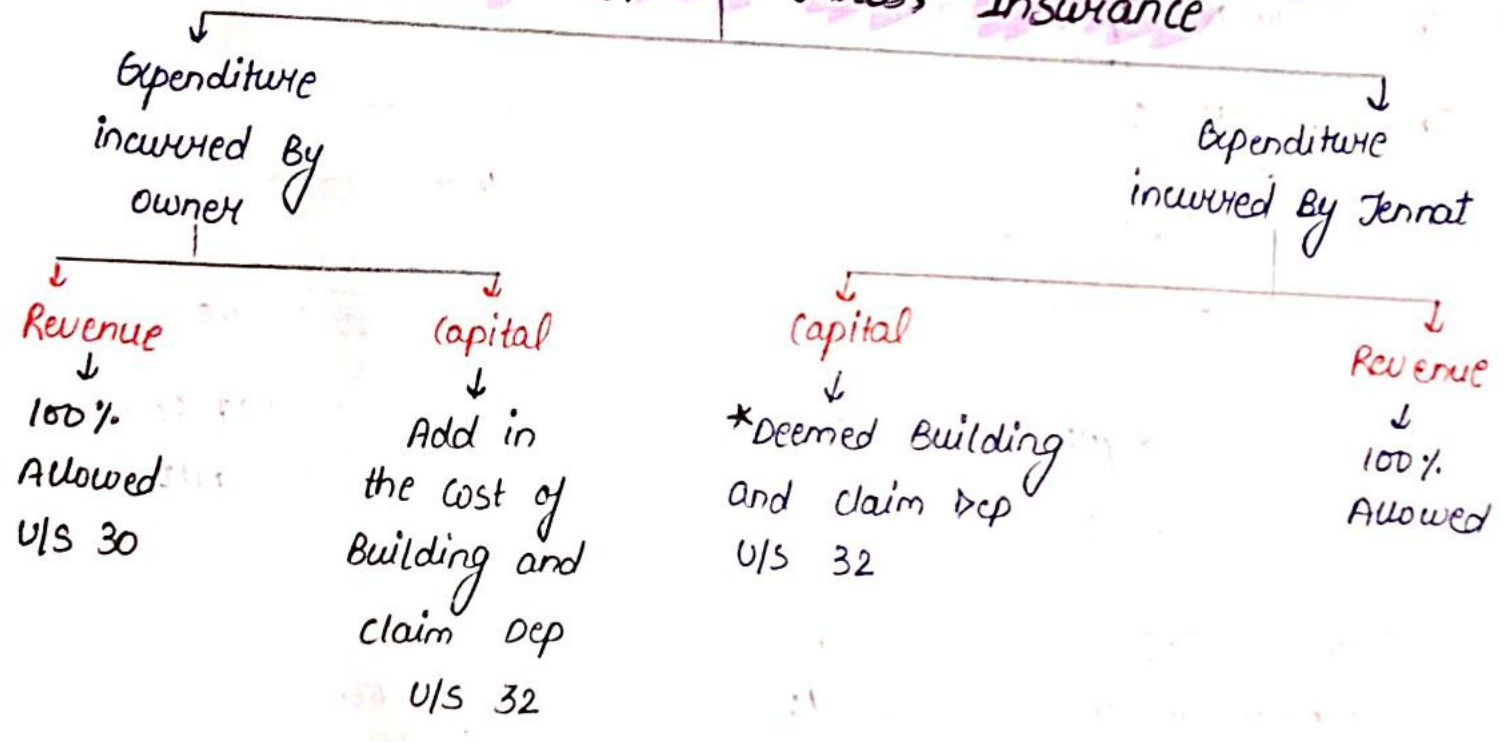
Particulars	Amount	Amount
Income under Head Salary Salary (20,000 x 12)	2,40,000	
(-) Standard Deduction 16(1A)	75,000	
	1,65,000	1,65,000
Income from House Property Rent / GAV	600,000	
(-) M. Tax payable by owner	-	
NAV	600,000	
(-) Standard Deduction		
• Sec-24(a) 30% of NAV	(1,80,000)	
• Sec-24(b) Int on Repair	(40,000)	
	3,80,000	3,80,000
Income under Head PGBP Net profit as per P&L A/c	1,03,90,000	
Add: Expenditure debited but Not allowed U/H PGBP		
M. Tax payable	100,000	
Dep (SLM)	2,50,000	
Provision for D/D	80,000	

Int on Repair of H.P	40,000	
less:- Expenditure allowed but not debited. Depreciation (W.D.V)	(45,000)	
less: Income Credited but not taxable		
Income from lottery	(15,00,000)	
Dividend from Co.	(4,00,000)	
Rent from house Prop.	(6,00,000)	
Add: Income taxable but not Credited		
Profit on sale of IEL	8,00,000	
	<u>91,15,000</u>	91,15,000
Income under Capital Gain	NIL	NIL
Income U/M OS	15,00,000	
Lottery	4,00,000	
Dividend	2,00,000	
Income from FD	<u>11,00,000</u>	11,00,000
Gross Total Income		1,17,60,000
(-) Deduction		NIL
Tax on lottery Income = 4,50,000		
Tax on OI, 1,02,60,000	1,60,000	
Tax on income excess = 26,20,000	30,70,000	
Tax on ISL	1,40,000	
	<u>32,18,000</u>	32,18,000
+ surcharge 15%	4,82,700	
	<u>37,00,700</u>	37,00,700
cess @ 4%	1,48,028	
	<u>38,48,728</u>	
R.O	38,48,730	

* Types OF Expenditure



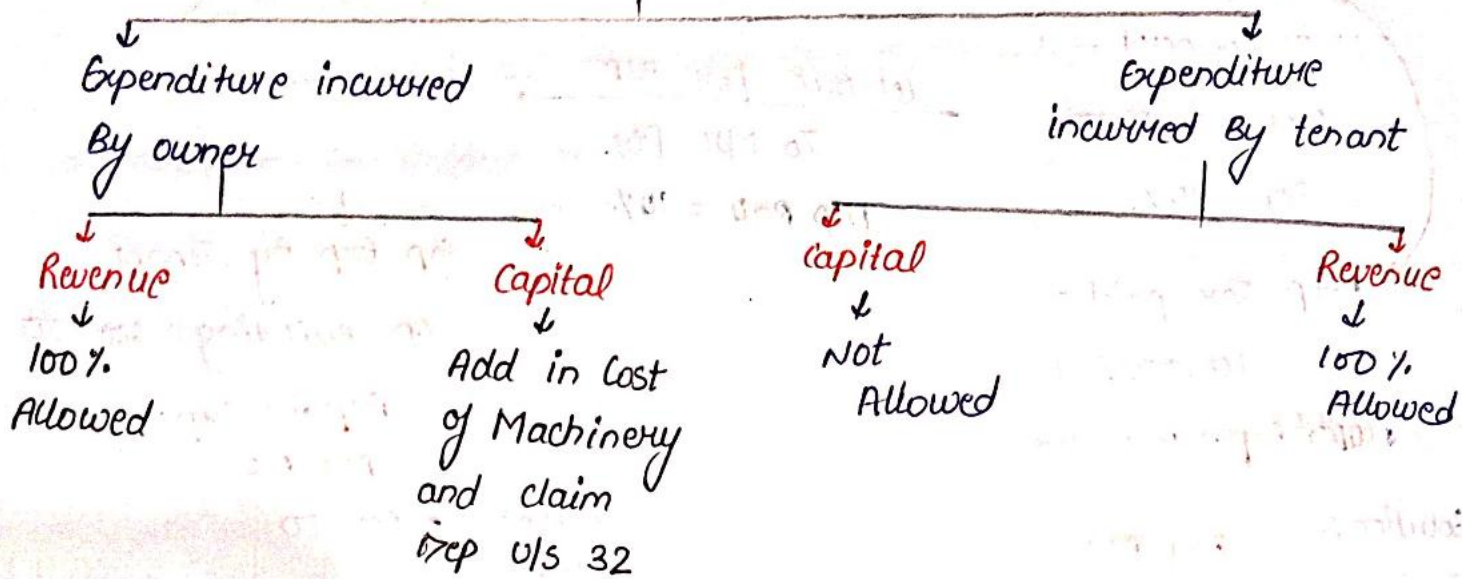
• Section-30 Expenditure Relating to Building (Rent, Repair, Taxes, Insurance)



* Explanation 1 to sec-32(1)

Capital Expenditure incurred by tenant/lessee then such expenditure deemed as Building in the hands of tenant and such tenant can claim depreciation on such capital Expenditure.

Section - 31 Expenditure Related to Machinery, Plant and Furniture (Insurance, Repair)



Example :- M.H. V.G. owner of Building - used for Business
 Cost of Building = 60,00,000
 Ins. premium paid By M.H. V.G. = 50,000 p.a
 Tax on property paid By V.G. = 10,000 p.a
 Capital Exp incurred on Building By V.G. = 5,00,000
 Dep. Rate = 10%.

what will be the treatment U/S PCB/P?

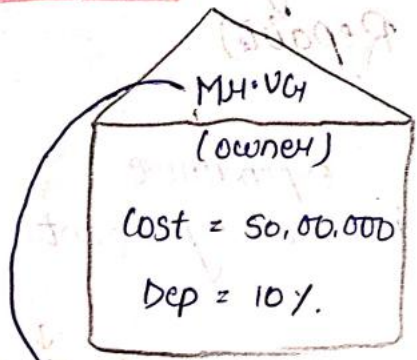
Solution:-

Profit and loss A/c.

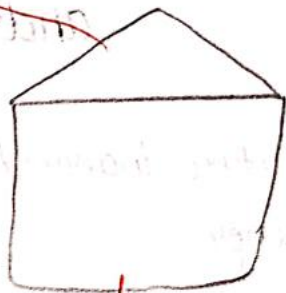
To Ins. Premium	= 50,000
To P. Tax	= 10,000
To Dep	= 6,50,000
(60,00,000 + 5,00,000) × 10%	

Example: 2

Rent paid 50,000 p.m



let-out for BIP
To M.H. P.G.
Dep Rate = 10%



Prop. Tax paid = 1,00,000 p.a

Capital Exp = 10,00,000

Cap Exp By Tenant on Building = 600,000
Repair Exp = 50,000
P&L A/C

Solution:-

P&L A/C

To P. Tax =	1,00,000
To Dep (50L + 10L) × 10% =	6,00,000

To Rent =	600,000 (50k × 12)
To Repair =	50,000
To Dep (6L × 10%) =	60,000