

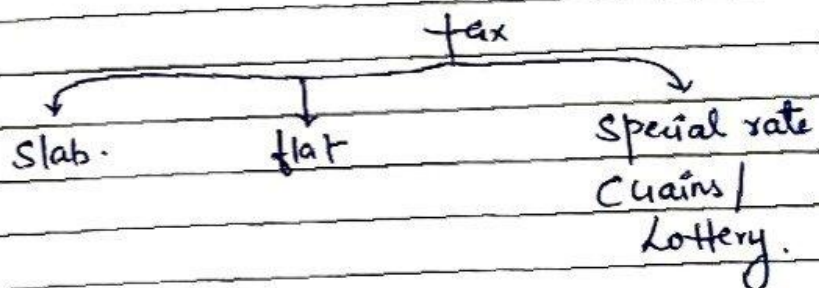
Chapter - 11

* Deduction -

Leads to

+	5 Heads	x x x
+	G.T.T	x x x
-	Deduction	()
	Total income	()

if required 288A Round off ✓



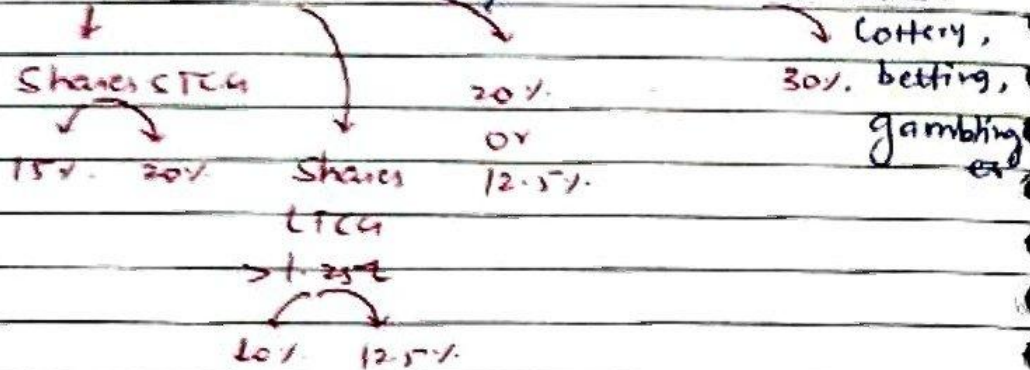
Rebate or Surchage

+ 4% HEC
x x x

Round off U/s 288B.

2.	ILS-BAC	chapter	→ Exceptions → allowed
		x	• 80CC D (2) • 80CC H (2) • 80 JSA

3. No Deductions are allowed from the incomes taxable at special rate i.e. Sec 111A, 112A, 112 & Casual income.



Que. PGBP income = 2L
112 CG 3L on 5 April 24
80C Dedⁿ = 130,000

find tax liability Old Regime.

PGBP	= 2L
CG	= 3L
GTI	5L
- 80C	(130,000)
	<u>370,000</u>

(X)

- Q2 . Salary Income = 120,000
 . 112A LTCG = 4L on 7 May 24.
 . 80C Inv. = 136,000

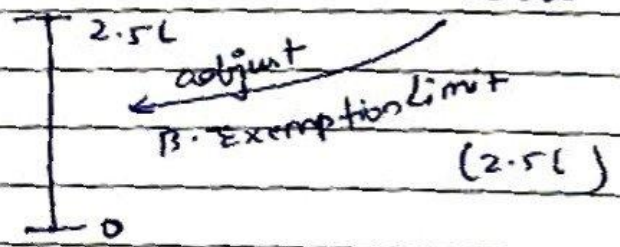
find tax Liability | Old Regime.

Salary Income	= 120,000	112A	4,00,000
80C 136,000	→ (120,000)		→ X
	16,000		0

Lapse 24/11/24

Sec 112A = 4L
 ↓

Exemption (1.25L)
 275,000



Remaining	25,000
Rate	10%
before amend	2,500
112A Rebate X	
4% Cen + 100	
	<u>2,600</u>

+ Soc

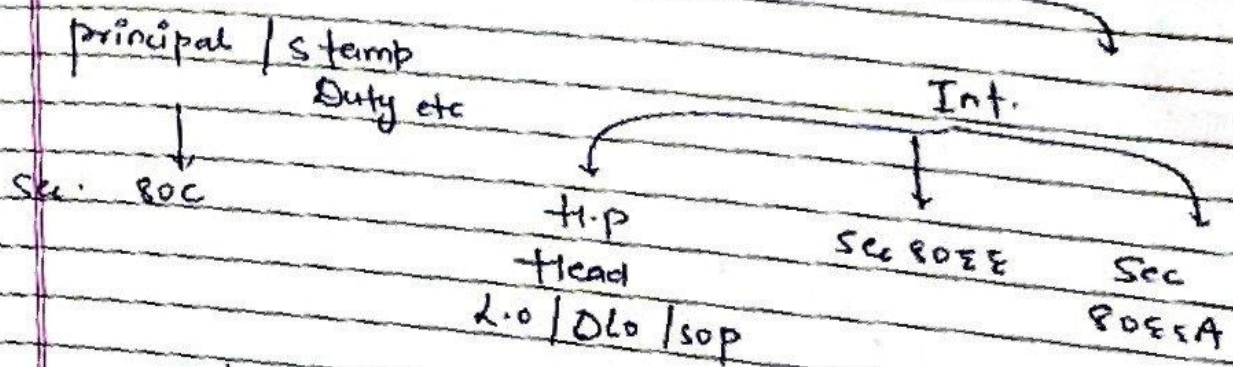
1. Housing Loan Repayment. [Principal & Interest.]

ex — . Rent rec. ₹ 40,000 pm.
Housing Loan repaid during
the year = ₹ 270,000
[including int. of ₹ 1 L]
find total income.

Calculation of total income.

Particular.	Amt.
A Income under H.P. • Rent rec. 40,000 pm x 12m (since nothing else is given this will be NAV)	480,000
Less: Deduction u/s. (-) 24 (a) 30% of NAV 480,000 x 30%.	(144,000)
(-) 24 (b) Int. on Loan Income under H.P / GTF	(3 L) 236,000
Less: Dedn as per Ch. VI - A • Soc Principal [270,000 - 100,000 int] amt 170,000	↓ (170,000)
but max restricted upto ₹ 1 L T.I	<u>86,000</u>

Housing Loan Repayment :-



Extra Interest
80EE

• Loan Sanction		80EEA
• Loan amt	PY 16-17 max 35L	1.4.19 to 31.3.22
• House prop. Value	upto max 50L upto	31.3.22 - 45L
• 1st house on the date of Sanction of Loan.		max int. 1.5L
Sop → Int. 240000	H.P. Now = 0 Int. (200,000) → 40,000 "80EE"	

Use $\rightarrow$ S.O.P $\begin{cases} 30k \\ 2L \end{cases}$

if L.O/DLO $\rightarrow$ No restriction

Ex $\rightarrow$ SOP

$$PY = 24-25 = Int = 380,000$$

PGBP Income 4L

Assume 80 EEA is applicable ✓
Old Regime find T.I

A) H.P

$$\begin{array}{rcl} \text{SOP NAV} & = & \text{NIL} \\ - \text{Int} & & (2L) \\ 380,000 & & (2L) \end{array}$$

H.P
Loss
set off $\rightarrow$

$$\begin{array}{rcl} \text{B.) PGBP Income} & = & 4L \\ \text{G.T.E} & & 2L \end{array}$$

(less : 80 EEA)

$$Int 380,000 - 2L HP (150,000)$$

$$180,000 \quad T.I = 50,000$$

- EEA Max Limit

NOTE :- Sec 80EE / 80EEA = Benefit of these sections can be taken even if the house is not constructed / purchased yet

• Loan int 23-24.

कुक ऑन X ति.प हेड इं-??
(-) NO

• 80EE / 80EEA (-) allowed.

ति.प हेड

Education

Salary

Edu. allowance

Exempt

1000/- per child
Max 2 children

Perquisite

yes children

yes school ✓
1000 p.m/-
child

Exempt

(No limit on
no. of
children)

80C

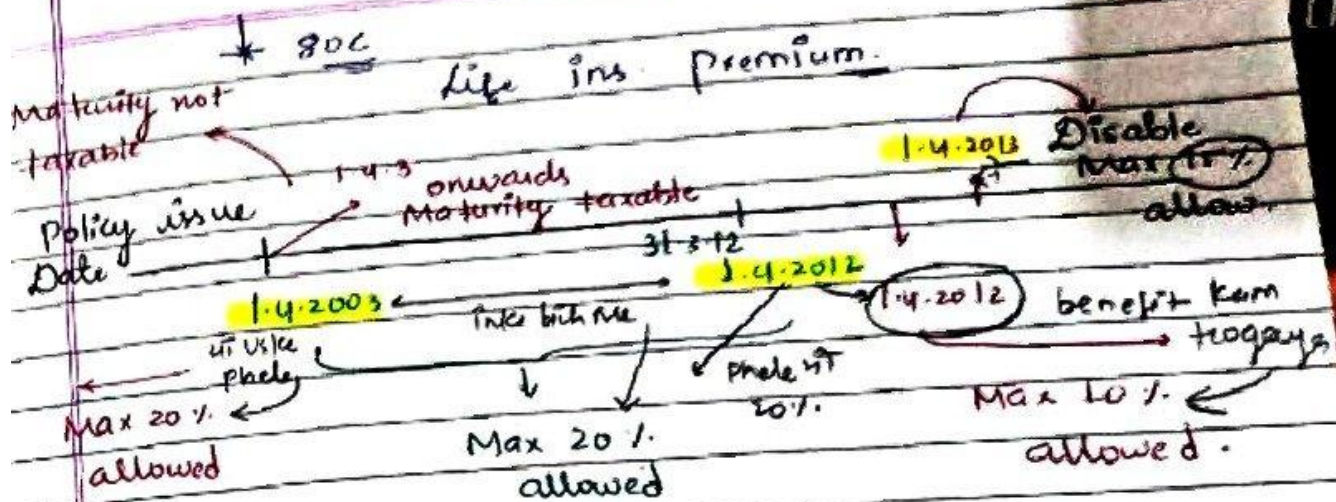
• School /
Colleges /
University
• 2 children
• full
time

80E

Higher
edu.
Loan
after
12th

Int
Pay
(-)

- Max 8 yrs. 1st
- Starting from
yr. of payment
- No monetary
Limit
- India ✓
- Abroad ✓



∴ 10/15/20 on maturity amount.

eg:- Policy issue on 16th Nov 2011
 Maturity amt. = 6L
 premium paid 1-year = 130,000.

find Dedⁿ allowed v/s 80C.

Solⁿ → Policy issue = 16 Nov 11

- Max. premium allowed 20%.
- Maturity = 600,000 × 20% = 120,000
- Actual pay = 130,000
- 80C Limit = 150,000

∴ lowest = 120,000
 Allowed = 120,000

$$\begin{array}{r}
 \text{G.T.I} \quad \times \times \times \\
 - 80C \quad (120,000) \\
 \hline
 \times \times \times
 \end{array}$$

★ Other aspect of Life Insurance Policy.

if in any of the year the premium paid is more than the percentage allowed i.e. $> 70\%$ / 15% / 20% , then Maturity amt. will be taxable.

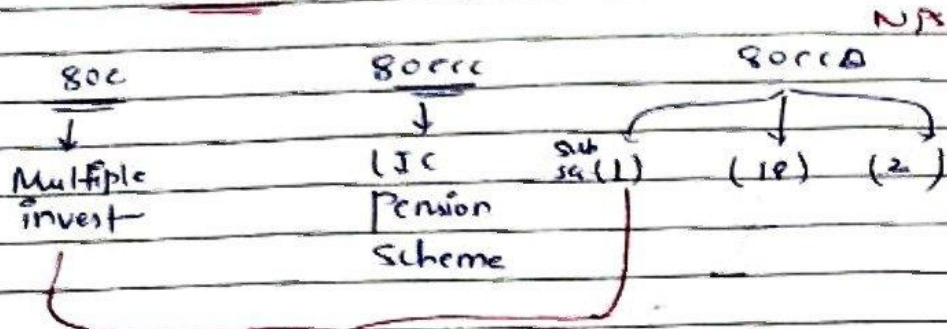
This ~~is~~ taxability started from 1.4.2003

NOTE :- whatever may happen, if the Maturity amt. is rec. because of Death, full amt is exempt.
always given

Case	Policy Issue Date	Prem. Paid	Maturity amt.	Ded ⁿ allowed	Maturity amt taxable or not ?
I.	8 May 2014	143000 • 143000 • 70.000 • 1.5L 800	7L x 70% = 70,000	u/s 80C 70,000	Taxable
II.	7 Aug 2010	121000 • 121000 • 140,000 • 800 150,000	7L x 20% = 140,000	lowest term 140,000 121000 Me	Exempt Actual : 149000 Pay. Kya 121000 • Actual se Karm Pay Kya to Exempt

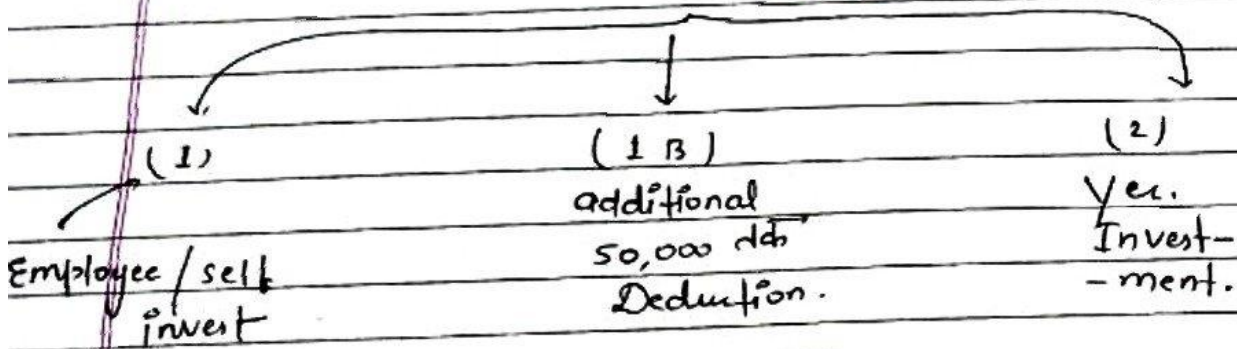
III.	7 Aug 2010	146000	7L	Lowest.	
	20%.	146000 140,000 800 = 1.5L	$7L \times 20\% = 140,000$	146000 140,000	Exempt Taxable.
IV.	3 May 2005	155000	8L		
	20%.	155000 160,000 800 = 1.5L	$8L \times 20\% = 160,000$	150,000	Exempt.
V.	16th June 21 Disable. 15%.	140,000 140,000 135000 800 = 1.5L	9L $\times 15\% = 135000$	135000	Taxable.
VI.	16th Dec 2002 20%.	134000 134000 20% 120,000 800 = 1.5L	6L $\times 20\% = 120,000$		Not taxable [not taxable before 1.4.2003]
VII. 5th July 2012	Disable Person. 10%.	1L 1L 80K 1.5L	8L $\times 20\% = 80,000$	80K	taxable
VIII	what if 1.4.13. 15%.	1L 1L 120,000 1.5L	8L $\times 15\% = 120,000$	1L	Exempt

Next section :-

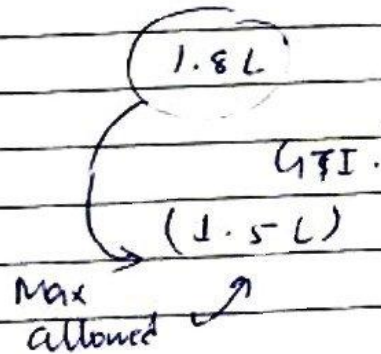


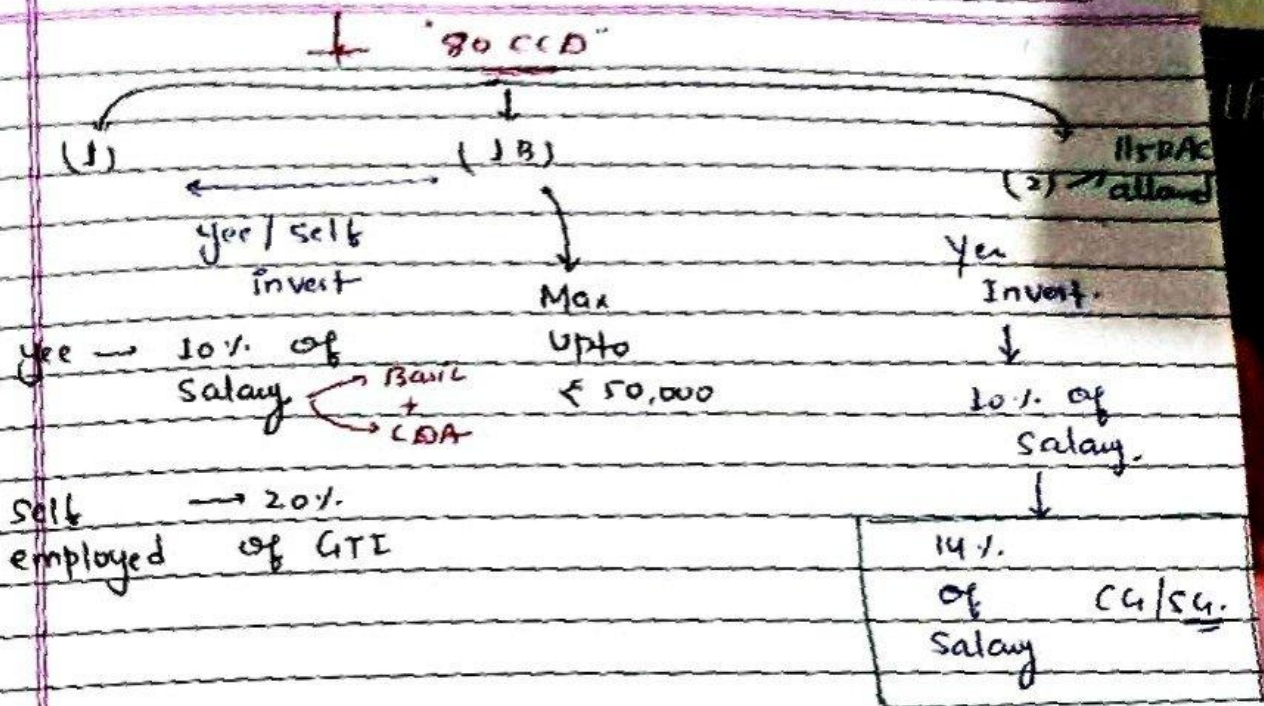
80CCD : Max Limit 1.5L

↓ NPS (80CCD)
National Pension Scheme.



- 80C - 60,000
- 80CCC 60k
- 80CCD(1) = 60k





- Q1. Basic Salary = ₹ 40,000 p.m
- DA ₹ 10,000 p.m
 - 30% is Conditional
 - Employee Invested ₹ 130,000 in NPS, employer also invested the Same.
- find total income.
- Solve as per old as well as New Regime.

pto →

Particulars	Old	New
• Basic Salary [40,000 x 12m]	480,000	480,000
• DA [10k x 12m]	120,000	120,000
• Pro Contribution in N.P.S	130,000	130,000
Gross Salary	730,000	730,000
Less: std Dedn Sec 16(ia)	(150k)	(75,000)
Income under the head / G.T.I Salary	600,000	655,000
Less Deductions - under chapter VI-A		
a) 80000 (1) (WN1)	(51,600)	-
b) (1B) (WN1)	(50,000)	-
c) (2) (WN2)	(51,600)	(51,600)
Total income	526,800	603,400
	X	Rebate '0'

working note :-

1) Calculation of 80000 (1) & (1B) for employee's investment.

Dedn allowed u/s 80000 (1) = 10% of salary

= salary = Basic + DA

$$= 480,000 + 36,000$$

$$\left(\frac{DA \times 30\%}{(120,000 \times 30\%)} \right)$$

$$10\% \text{ of } [480,000 + 36,000]$$

$$10\% \text{ of } 516,000 = 51,600$$

Deduction allowed u/s 80CCD (1)

Deduction to be claimed :-

$$\text{Total Invested} = 130,000$$

$$\text{allowed u/s 80CCD (1)} = 51,600$$

$$\text{u/s 80CCD (1B)} = 50,000 \rightarrow \text{priority}$$

Remaining lapse

2) Deduction u/s 80CCD2 $\rightarrow$ Employer's Contr.

Allowed = 10% of salary.

$$\text{Calculation same as WN 1} = 51,600$$

Ex $\rightarrow$ Individual

$$\text{L.I. Prem.} = 40,000$$

$$\text{NPS Investment} = 140,000$$

5 year term Deposit with Bank 80,000
(FD)

find Dedn allowed.

NPS → 140,000

Option 1	Option 2
CCD (L) = 140,000	CCD (LR) 50k
Sec 80C life insu. 10,000	80 CCD (L) 90k
40,000	80C 80C + 60k
FD	1.2L 40,000
50,000	(120) 2L
120,000	
	60k Lapse

Lecture - 4

↓ Sec 80D :-
Health Insurance
(Medical. ")

R. Senior.

Mua 25k / 50,000	25k / R/Sr.
Category I	Category II
Self, Spouse	Parents
Depend children.	[Dependent/Inde.]
✓	✓
✓	(X)

1) Med. Insu.
Prem.
[Cash X]
Central govt
Health Scheme.

C. ... S

3 Preventive
Health
Check up
Cash allowed

✓

Max
5000 ₹

✓

Ques. find Deduction u/s 80D

Case I	Cate. II	Cat. III
Prem. paid	20,000	21,000
Preventive health check up	3000	1500
	+	+
Dedu. allowed ??	= 23000	= 22500

Case 2.	CAT I	CAT II
Prem. paid	23000	24000
Presumptive health check	1000	2000
		shift is not allowed.
	= 24000	= 26000 not allowed upto 5000
		∴ 25k

Cases	CAT I	CAT II
Ins. Prem.	20,000	21,000
Prev. health Check.	3000	3000
	Max 5k allowed	(Limit 5k ₹ Upper no)
	<u>23000</u>	<u>23000</u> 24000

Cases	CAT I	CAT II
Medical Insurance	21,000	47,000 R Sr.
Prev. health Check up	1,000	5,000
	<u>22,000</u>	<u>50,000</u>
		Kyunke 25k/50k to upper net X

NOTE :-

CAT I

CAT II

In any category = p¹ Sr.

Insurance x

Med. Exp. allow upto ₹ 50k.

80D.

Med. Insu. prem. paid for Multiple years.

Dedⁿ = Total payment.

No. of years.

Ex: - Health insu. taken on 1st July 22 for 3 years

• Premium paid is ₹ 60,000

• find Deduction allowed in each year.

check each PY.

PY 22-23	PY 23-24	PY 24-25	PY 25-26
1 July 22	1 July 23	1 July 24	1 July 25

= 60,000

= 15,000

4 years

also allowed
Under New
Regime

* 80JTAA :-
• Business ✓
• Tax audit ✓ applicable
Sec. 44AB
T.O limit > 2 cr.

• Employment ↑

↑ Salary Pay × additional
30% deduction.
÷ 3 years.

Ex :- Last year.

31.3.22

100 employees

31.3.23

118 employees

Check no.
on last day
of each year

18 employees × 11,000 p.m × 12m

= 23,76,000 → P&L
dr.

additional 30% = 7,12,800
÷ 3 years.

22-23

23-24

24-25

23,76,000

Additional Conditions for employee

- Max Monthly Salary ≤ 25000 +
- Not be a Govt. employee +
- Should have account in R.P.F. +
- Worked min 240 days in the year. +
[Min. 150 in case of Leather, Footwear, Apparel, Textile, Paper, Printing, Sugar, Tea, Coffee, Rubber, etc.]

If this condition is not fulfilled in this year but fulfilled in next year, deduction will be allowed in the next year.

Q. Find Dedⁿ u/s 80JJAA :- (22-23)

	Date of employment	No. of employees	Monthly Salary	Whether AIC in RPF?
I.	1 May 22	30	26000 pm	Yes.
II	1 May 22	40	23000 pm	Yes NO.
III	1 Nov 22	25	21000 pm	Yes
IV	1 July 22	20	19000 pm	Yes

IV

$$\text{Sol}^n \rightarrow 20 \text{ emp.} \times \frac{19000}{\text{pm}} \times 10 \text{m} = 386 \times 30\% \div 3$$

$$20 \text{ emp.} \times \frac{19000}{\text{pm}} \times 10 \text{m}$$

$$[386 \times 30\%] \div 3 \text{ years.}$$

$$= 380,000 \text{ Per year.}$$

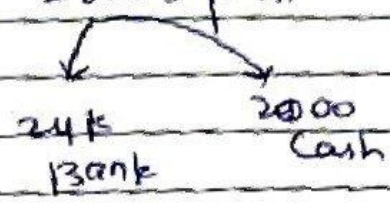
Ist am $\rightarrow$ Dedⁿ for ³⁰ employees hired on 1. May. 22 is not allowed because Monthly salary is More than 25000.

II am $\rightarrow$ Dedⁿ for 40 employees hired on 1. May. 22 is not allowed because they are not having Alc in RPF.

III. am $\rightarrow$ Dedⁿ for 25 employees hired on 1 Nov 22 is not allowed because ~~they~~ no. of days is less than 240 days. $\neq$

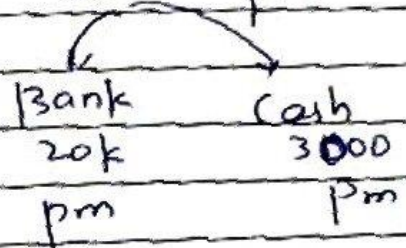
* Deduction of Cash element :-

I Salary 26000 p.m



Dedⁿ allowed ?
No.

II salary 23000 p.m.



Dedⁿ allowed ?? Yes - only of Bank Payments.

But If → New business → 1st year.
↓
Cash element is also allowed.

Following on 80

will be used for Cat III & IV

Dedⁿ allowed v/s 804 57600

I	II	III	IV
100% = 40,000	50% 30k	100% 50,000	20,000
40,000	60,000	50,000	

100% ✓ x 50% 100% ✓
allowed 40,000 + 30k + 50k 3800

804 → 123800

Limit = III Cat used Remaining.
57600 50,000 7600

Cat IV Remaining limit or Donation

Lower x 50%
7600 or 20k

Lower
= 7600 x 50%
3800

Ex 2:

GTL given 15L <
(including 111A 2L
112A 3L)

$$\cdot 80C = 110,000$$

$$\cdot 80D = 24000$$

$$\cdot 80EEB = 130,000$$

$$\text{I} = 20,000$$

$$804 \quad \text{II} = 80,000$$

$$\text{III} = 70,000$$

$$\text{IV} = 34000$$

find Dedn allowed.

$$\text{GTL} = 15L$$

$$(-) 111A \quad (2L)$$

$$(-) 112A \quad (3L)$$

$$- 80C \quad (110,000)$$

$$- 80D \quad (24000)$$

$$- EEB \quad (130,000)$$

$$\text{Adjusted} \quad 736000$$

$$\text{GTL} \times 10\%$$

$$\text{Upper Limit} \quad 73600$$

* See 80G. max upto 10% of adjusted Donation.

CAT I	II	III	IV
100% allow	50% allow	100% allowed	50% allow

Donation : in Cash > ₹ 2,000, full amt. is ignored.

kind not allowed.

Adjusted G.T.I

Given G.T.I x x x
 (-) 112 / 112 A
 11 A (x x x)

(-) Less deductions
 80C 80D etc (xxx)
 (Except 80G)

Adjusted G.T.I ~~xxx~~
 x 10% ✓ xxx

Ex:-

Salary	Income	3 L
PGBP		4 L
112		2 L
80C		70,000
80D		20k
80E		34000
80G	I = 40k	

II = 60k

III = 30k

IV =  k

find Adjusted total income.

$$\begin{array}{rcl}
 \text{G.T.I} & = & 3L \\
 \text{PUBP} & = & 4L \\
 \text{(ex: 112)} & & (2L) \\
 800 & & (30K) \\
 0 & & (20K) \\
 E & & (34K) \\
 \text{Adjusted G.T.I} & = & 576000
 \end{array}$$

Category I	II	III	IV
Donation 40k	60k	50k	20,000
	50%.	100%.	
Allowed 40k	+ 30k	+ 50k	+ 3800

$$\begin{array}{rcl}
 \text{G.T.I} = \text{salary} & = & 3L \\
 \text{PUBP} & = & 4L \\
 \text{Sec 112} & = & 2L \\
 \text{G.T.I} & = & 9L
 \end{array}$$

$$\begin{array}{rcl}
 \text{Adjusted G.T.I} & & \\
 \text{G.T.I} & = & 9L \\
 (-) \text{ Sec 112} & = & (2L) \\
 & & \underline{7L} \\
 - 80L & & (702000) \\
 800 & & (20,000) \\
 80\% & & \underline{(34000)}
 \end{array}$$

$$\begin{array}{rcl}
 \text{Add. G.T.I} & = & 576000 \\
 \times 10\% & & \\
 & = & 57600
 \end{array}$$

804

<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>
20k	8k	20k	24k
100%	50%	100%	50%
<u>20,000</u>	<u>40,000</u>	<u>70,000</u>	<u>18,000</u>

13/800
Allowed

IV Limit remaining = 3600 or 34000

73600 - 70% Lower.

$$3600 \times 50\%$$

$$= 1800$$

T.I. GSI = 15L

- 800 (110,000)

- 800 (24k)

- 3813 (130,000)

804 (132800)

T.I. 11,01,200

Section - 5

★ Sec 80EEB :-

- Loan for electric Vehicle.
- Sanction between 1.4.19 - 31.3.23
- Int. dedn upto ₹ 1.5L
- Loan from Bank / NBFC → Dedn allowed.

for Sec 80EEA :-

Housing Loan 1.4.19 - 31.3.22
Loan from NBFC → Int. not allowed.

→ Key - Dependent

★ 80DD Disabled.

Dependent : Spouse, Children, Parents, Bro, Sis.

Flat Dedn = ₹ 75000

If Min = 125000
80%.

disable
Means Severely Disable.

★ 80U

Disability of

Self.
Disabled ↓

ITR ✓ filed.
flat dedn

75000 / 125000

Min 80% disabled
(Severe disability)

★ 80DDB = Specified Diseases [Immunologist, blood related e

Key - Dependent
Dutchi, Bimar.

Self → Dependant, spouse, Children, Parents, Sis.

Dedⁿ.

Generally
upto
₹ 40k

but if sr. citizen
upto 1,00,000

Insshort#, (ghar me koi Bimar hai ya khud Bimar ho
3114 unke ilaz ke liye exp. tk ₹
₹ 40k exp. 50k se 1 Minus kar
sakte ho (Bimari → Blood related,
Immunologist, Cancer
+ koni chahiye)

Minus ?

= Normally 40k Tak

Otherwise → sr. citizen ₹ 1,00,000

The amount rece. from Insurance Co. or
Reimbursed by the employer is to
be reduced.

Ex1 :- Exp. for specified Diseases U/s 80DDB
54,000

Reimbursement from insu. Co. ₹ 6,000

Dedⁿ allowed??

40,000 or 54,000
lower.

= 40,000

Less: Reimb. = (6,000)

Dedⁿ = 34,000

Case 2. 80 DDB exp. 35000
Reim. ₹ 2000

35000 (40K OR 35000)
Less Rem. - (2000) Lower.
33000

Example :- Mr. B.

GTI = 10,00,000

80C Investment = 1,60,000

Exp. for Disabled sister ₹ 12,000

find T. Income under old Regime.

GTI = 10L

- 80C = (1,50,000) Max Limit = 1,50,000

Flat Dedn - 80 DDB = (75,000)

T. Income ₹ 7,75,000

* 80GG → Key = GG will pay the rent.

To Job kar raha ₹1

H.R.A

• HRA rec.

• Rent paid = 10% of Salary

• 40% / 50% of Salary.

To dist kar raha.

80GG

Lowest

• 5000 pm

• R. paid - 10% of adj. GTI

• 25% of Adj. GTI.

<u>Que.</u>	PGBP Income	6L
	Ios	2L
	IIIA	1.8L
	80C	70,000
	80D	18000
	Rent paid	₹ 13000 p.m
	find Dedn allowed u/s 80GG.	

Adjusted GTI

GTI	=	PGBP	=	6L
		Ios		2L
		IIIA		1.8L
		GTI		<u>9.8L</u>

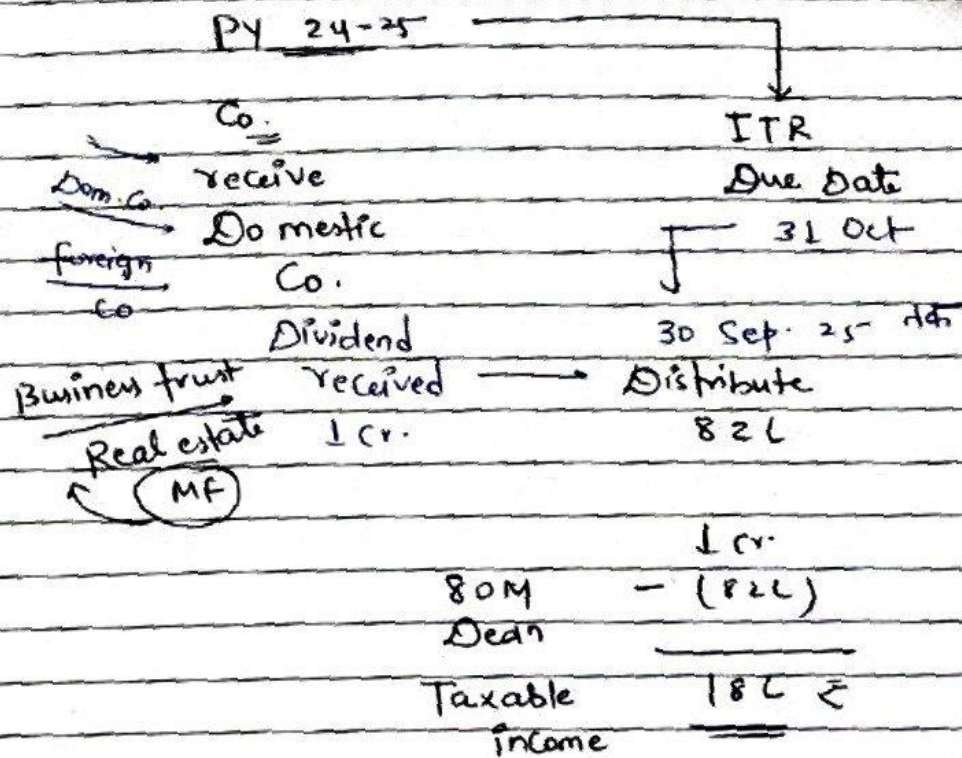
Adjusted GTI	=	9.8L
(-)		(1.8L)
80C		(70k)
80D		<u>(18000)</u>
Adj GTI	=	<u>712000</u>

Dedn :-

- i) $5000 \times 12m = 60,000$
- ii) $13000 \times 12m$
 $156000 - 10\% \text{ of } 712000 = 84800$
 71200
- iii) $25\% \text{ of } 712000 = 178000$

Dedn allowed = 60,000

* Section 80M.



* 80TTA

- Saving Bank Alc
- Int. rece.
- Max 10,000 dt dedn.

saving

* 80TTB

- R
- Sr Citizens.
- Int. rec.

f.d

Recurring deposit

Max dedn = 50 k.

Int. rec. → Ios
GTI. ≤

int. dt

Amendment 2015
↓
80 IAC

• Startup New P&M [old upto 20% allowed]

• 1.4.16 to 31.3.25

• 3/10 - Consecutive 100% Income exempt.

↓
To not exceed 100 Cr.

Ex → New P&M = 70L

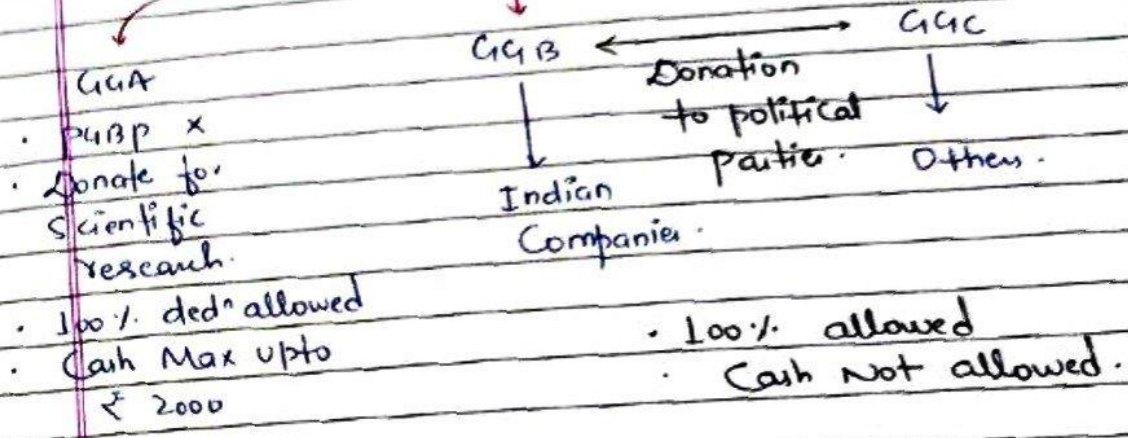
Old P&M = 20L

80 IAC Condition fulfill ??

New 70
Old 20
Total 90L x 20% 18L
Old → 18L

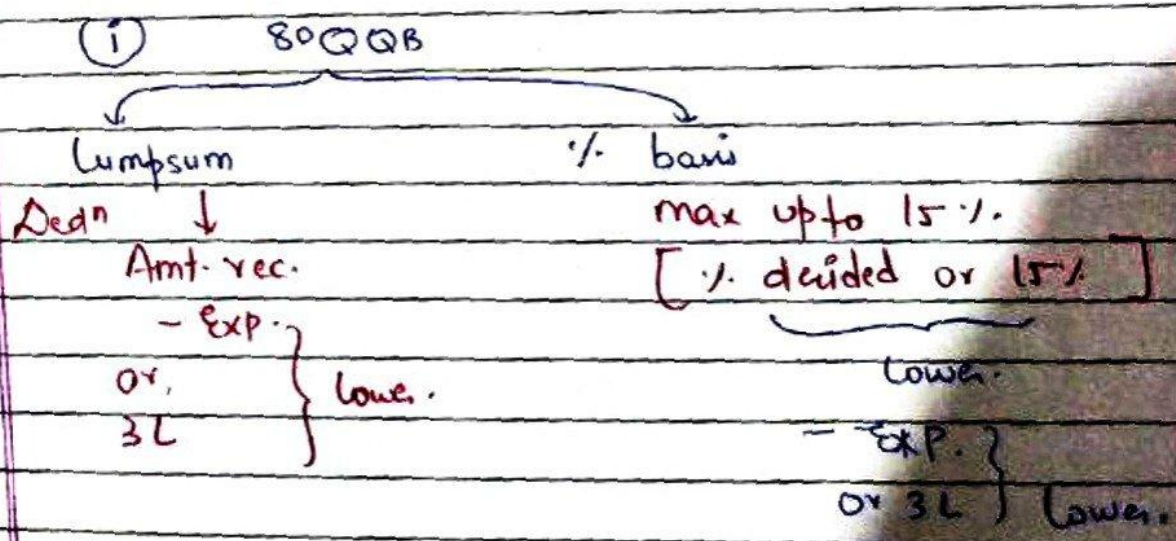
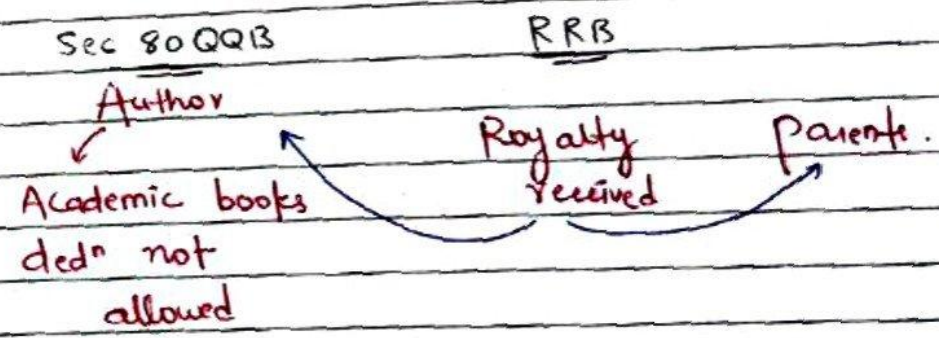
Conclusion Breach ✓
IAC x

+ 80GGAA, GAB, GGC.



Lecture - 6

1/4/25



Case 1 Lumpsum royalty rec $\leftarrow$ 7L
Exp 40,000

find Dedⁿ allow u/s 80 QQA

$$\begin{array}{r} 7L \\ -(40K) \\ \hline 660000 \quad \text{or } 3L \\ \text{lower} \\ \hline = 3L \end{array}$$

Case 2 Lumpsum rec 260,000
Exp = 25,000
Dedⁿ u/s 80 QQA.

$$\begin{array}{r} 260,000 \\ (- 25,000) \\ \hline 235,000 \quad \text{or } 3L \\ \text{lower} \\ \hline = 235,000 \leftarrow \end{array}$$

Case 3. 1. agreed on royalty 18%
S.V of Books 2L L
Expenses $\leftarrow$ 17,000
find dedⁿ allowed?

$$\begin{array}{r} \text{Royalty amt rece.} \\ 2L L \times 18\% = 378,000 \\ - \text{Exp.} \quad (17,000) \\ \hline \text{GTL} \quad 361,000 \end{array}$$

$$\begin{array}{rcl}
 80000 & \longrightarrow & 298000 \\
 21L \times 15\% & = & 315000 \\
 - \text{Exp. } (7000) & & \\
 \hline
 \text{Max allowed} & & 298000 \quad \text{Or } 3L \\
 & & \text{Lower}
 \end{array}$$

Income

Case: Agreement royalty % 13%
 S.V = 18L
 Exp = 10,000
 find Dedn u/s 80QAB

$$\begin{array}{rcl}
 18L & & \text{Or } 3L \\
 \times 13\% & & \\
 \hline
 \text{Exp} & & \text{Lower}
 \end{array}$$

$$\begin{array}{rcl}
 234000 & & \\
 (10K) & & \text{Or } 3L \\
 \hline
 224000
 \end{array}$$

Case: - Amt. to be rec. from Abroad.

Que. Lump sum income total 8L
 for PY 22-23

Actual rec till 30.9.23
 from abroad 224000

find Dedn U/s 80CCHB

Salⁿ →

Income → 8L
less: 80CGB

$$\begin{array}{r} 24000 - \text{Or } 3L \\ \text{Lower} \end{array} \Rightarrow \begin{array}{r} (224000) \\ (576000) \end{array}$$

* 80CCH

↓
Agniveer Corpus fund

• Sub Sec (1)

- Contri by employee
- 100% Deduction allowed

Old Regime ✓

New Regime X

Subsec. (2)

- by employer.
- 100% deduc. allowed.

✓

✓

Maturity amt. rec. from this fund
is fully exempt.

[115BAC ← CCB(2) CCH(2) JTAA ✓
income New reg ✓]