

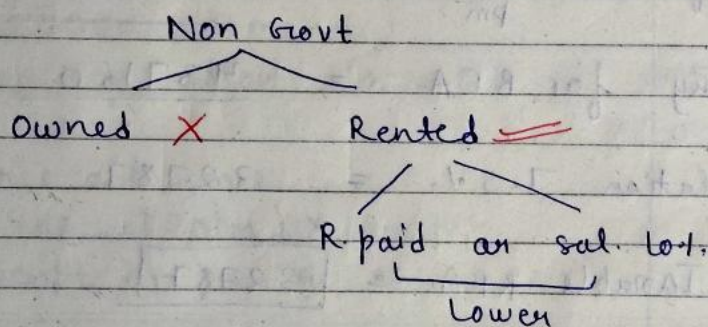
→ Rent paid = 17000 pm × 12 month = 204000

Or,

10% of salary ⇒ Totally = 64080

✓ ~~Basic~~ whichever is lower = 64080

Taxable	64080	
Recovery (600pm × 12 month)	<u>(7200)</u>	
	<u>56880</u>	Taxable RFA



less Recovery

Q Himanshu is given a flat to stay by the employer in Bhopal.

Purchase Value of the house is 2 Crores.

population of Bhopal is 17 lakhs (7.5% of salary)

Basic Salary of Himanshu = ₹ 30,000 pm

Cond. DA = ₹ 6,000 pm

uniform allow rece. ₹ 430 pm

Act expd. 400 pm.

Find taxable RFA, if employee has opted for  
115BAC (New regime).

RFA  
└───┬───┘  
Owned ✓ Rented ✗

Population 17 lakh

> 15 lakh to 40 lakh → 7.5% of salary

- Basic Salary =  $30,000 \text{ pm} \times 12 \text{ month} = 3,60,000$
- Cond. DA =  $6000 \text{ pm} \times 12 \text{ month} = 7,20,000$
- Allow. uniform =  $430 \times 12 \text{ m} = 5160$   
pm

Salary for RFA = 437160

Population 7.5% = 32787

Taxable RFA = 32787

Q Aanya is employed in Accenture Ltd. she  
joined on 1st July 24.

Basic Salary = ₹ 60,000 pm

DA = 40% of Basic sal

Condm. DA = 25% of Basic

Comm = ₹ 8000 pm

C. & allow. = ₹ 430 pm received

Conveyance allow = ₹ 900 pm

Act. Expd = ₹ 720 pm

Children hostel = ₹ 250 pm each  
allow. rec for per 2 child.

Gratuity rec.d = ₹3500 pm

$\frac{430}{100}$        $\frac{430}{100}$

Find Net Salary if :-

- (a) New Regime  
(b) old Regime.

$\times 9m$        $\times 9m$

→ Calculation of Net Salary  
For PY 24-25 (9 months)

Particulars	old Regime	New Regime
• Basic salary (₹60,000 × 9 months)	5,40,000	5,40,000
• DA (40% of Basic sal.) (540,000 × 40%)	2,16,000	2,16,000
• Commission (8000 × 9 months)	72,000	72,000
• Children Edu. allow. (WN 1)	5,940	7,740
• Conveyance allowance (900 - 720 pm) × 12 months. (Also exempt as per the sec 115BAC)	16,200	16,200
• Children Hostel allowance (WN 2)	Nil <del>4,500</del>	4,500 Nil
• Gratuity (Rec.d during employment (3500 pm × 9m) in fully taxable)	31,500	31,500
• Gross Salary	8,73,360	8,60,760
• less stand <sup>n</sup> ded <sup>n</sup> u/s 16 (ia)	(75,000)	(50,000)
Net Salary	<u>7,98,360</u>	<u>8,10,760</u>

### WN 1 Children Education allowance

- As per sec 115BAC = Fully taxable  
 $430 \times 2 \text{ child} \times 9 \text{ month} = \underline{\underline{7740}}$
- As per the old Regime = Exemption allowed  
₹ 100 pm, per child, for max 2 children

$$\cancel{430} \times (430 - 100) \times 2 \text{ child} \times 9 \text{ month} = \underline{\underline{5940}}$$

### WN 2 Children Hostel Allowance

- Sec 115BAC = Fully taxable  
 $250 \text{ pm} \times 2 \text{ child} \times 9 \text{ month} = 4500$
- Old Regime = Exempt upto ₹ 300 pm, per child for max. 2 child.

Amt rec. is only ₹ 250, therefore the amt is exempt.

Q Shivansh is working in Pune.  
He is given a flat for stayin from 1 Sep 2024  
Basic Salary = ₹ 43000 pm  
DA is 60% of Basic salary (70% of it is Condi)  
Bonus ₹ 49000  
Comm. ₹ 2200 pm  
Medical allow. = ₹ 1300 pm  
Act. Enpd = 1000 pm

Running allow. rec. ₹ 8000pm

Fair rental value of the house is ₹ 28000pm

& employer has pur. this house ₹ 3 Crores.

Recovery from employee ₹ 1500pm

Find Net salary for PY 24-25 as per old Regime

→ Calculation of Net Salary  
For PY 24-25

Particulars	old Regime
• Basic Salary (43000pm x 12month)	516,000
• DA (516000 x 60%)	309600
• Comm. (2200 x 12months)	26400
• Bonus	49000
• Medical allowance (1300 x 12month)	15600
• Running allowance Recd. 8000pm x 12month = 96,000 Exempt lower. 10,000 or 8000pm x 70% = 5600 x 12m = (67200)	28800
• RFA Taxable (WN 2)	39230.3
Gross salary	984630.3

## WN 1 Calculation of RFA.

• House provided from 1st Sept 2023 i.e. 1st Sep 2023 to Mar 24 = 7 Months.

• House is owned by the Employee

• Since population is not mentioned in the Que. but City given is Pune, so we are assuming the population is more than 40 lakhs

∴ Taxable RFA = 10% of Salary less Recovery (if any)

## WN 2 Calculation of Salary for RFA (7 months)

• Basic Salary =  $43000 \times 7 \text{ month} = 301,000$

• Cond. DA  $\Rightarrow$

DA = Basic 60%

$301000 \times 60\%$

= 180600

70% is Cond.

$180600 \times 70\%$

$\Rightarrow$

126420

• Bonus =  $49000 \times \frac{7 \text{ month}}{12 \text{ month}} \Rightarrow 28583$

• Comm. =  $2200 \times 7 \text{ month} \Rightarrow 15,400$

• Medical allow. =  $1300 \times 7 \text{ month} = 9100$

• Running allow.

Rec. = 8000 pm

Exempt =  $\frac{1}{2}(5600) \times 10\%$

$2400 \text{ pm} \times 7 \text{ month}$

= 16,800

Salary for RFA  
Taxable Perquisite (10%)  
less Recovery ( $1500 \times 7 \text{ month}$ )

497303

49730.3

(10,500)

Taxable

39230.3

## Homework

### + solutions.

Illu 2 Pg 4.1

Mr. Srikant has two sons. He is in receipt of Children Education allowance of ₹150 pm for his elder son and ₹70 pm for his younger son. Both his sons are going to school. He also receives the following allowances:

Transport allowance 1800 pm  
Tribal area allowance 500 pm

	elder son	Younger son
Rec.	150 pm	70 pm
exempt	(100)	(70)
	50	<del>30</del> Nil
	x 12 month	
	⇒ 600	

Children edu. allowance = 6000

→ Transport allowance  
 $1800 \times 12 \text{ month} \Rightarrow \underline{21600}$

→ Tribal area allowance  
Rec. 500  
Exempt (200)  
300  
x 12 months  
3600

→ old Regime

elder son	600	
younger son	Nil	
Transport allow.	21600	
Tribal area allow.	<u>3600</u>	
	<u>25,800</u>	Tax allowance.

→ New Regime

• Children Edu. allow.	= 2640	
(150 + 70) × 12 month		
• Transport allow.	= 21600	
(1800 × 12 month)		
• Tribal area allow.	= 6,000	
(500 × 12 month)		
		<u>Tax allowance. 30,2400</u>

Illu 3

Mr. Sagar who retired on 1st Oct, 2024 is receiving ₹5000 pm as pension. On 1st Feb, 2025, he commuted 60% of his pension and received ₹3,00,000 as commuted pension. You are required to compute his taxable pension assuming

- He is a Govt. employee
- He is a Pvt. Sector Employee & rec'd gratuity of ₹5,00,000 at the time of retirement
- He is a Pvt. Sector employee & did not rec. any gratuity at the time of retirement.

→ He is a Govt. employee Oct 24

$$\bullet (5000 \times 4) + 40\% \text{ of } 5000 \times 2 \text{ month} = 24000$$

(20000 + 40% of 5000 × 2 month)

$$\bullet \text{Committed pension } 3,00,000 = \text{Nil}$$

(-) exempt u/s 10(10A)

Taxable Pension 24,000

→ (b)

$$\bullet (5000 \times 4 \text{ month}) + 40\% \text{ of } 5000 \times 2 \text{ month} = 24000$$

20,000 + 4,000

$$\bullet \text{Committed Pension Received } 3,00,000$$

(-) exempt u/s 10(10A)

$$\left( \frac{1}{3} \times \frac{3,00,000}{60\%} \times 100\% \right) \quad \uparrow +$$

$$\left( \frac{1}{3} \times 5,00,000 \times 100\% \right) = \frac{1,66,667}{1,33,333}$$

Taxable Pension 1,57,333

(c)

$$\bullet 5000 \times 4 \text{ month} + 40\% \text{ of } 5000 \times 2 \text{ month} = 24000$$

$$\bullet \text{Committed pension received } 3,00,000$$

$$(-) \left[ \frac{1}{2} \times \frac{3,00,000}{60\%} \times 100\% \right] = 2,50,000$$