Homework solution

Sol^n 1

7,00,000		7,11,000	
0 - 3l	= 0	0 - 3l	= 0
3l - 7l @5%	= 20,000	3l - 7l @ 5%	= 20,000
	20,000	11000 x @10%	= 1100
(-) Rebate	(20,000)		21,100
	0		

Increase in tax 21100
Increas in Income 1100
10100 → XX no Relief

Pay taxable 11000
+4% Cess 440
11440

Sol^n 2 7,05,000

0 - 3l = 0
3l - 4l = 20,000
5,000 x @ 10% = 500
20,500
+4% Cess 820
21320

Sol^n 3 5,09,00,000

0 - 2.5l = 0
2.5l - 5l = 12,500
5l - 10l = 1,00,000
49900000 X 30% = 14,97,00,000
15082500
+37% surcharge 5580225
20663025

5crore

10l = 112500
4.9 Cr X 30% = 14700000
14812500
+25% surcharge 3703125
18515625 21,47,400

50900000

20663025

20663025

Inc. in Tax > inc. in income

2147400
(-) 900000
1247400 Marginal Relief (MR)

Tax payable 20663025
MR (1247400)
19415675
+4% Cess 776625
20192250

Sol^n 4

MR ~~XX~~ 5.40 Crore
10l = 112500
~~5.30 Cr~~ = 5.30Cr = 15900K
X 30%
16012500
+37% sur. 5924625
21937125
+4% Cess 877485
22814610

Points to be Noted.

(1) **Ministry of Finance**

- Department of Revenue
  - CBDT (Central Board of Direct taxes)
  - CBIC (Central Board of Indirect taxes & customs)
- Department of Expenditure

Lec 15 7Feb

(2) **Assessee** (जो भी Person IT Dept. के साथ deal करता है)

Section 2(7)

Assessee means a person who is

- liable to pay tax or any other amt under the Act.
- Against whom any proceedings (investigation) has been started to check, income, loss, refund, Value of non-monetary benefit ↳ (Fringe benefit)
- Includes a deemed Assessee

Eg

Minor receiving incomes ⟶ but Parents are responsible so, parents are deemed assesse

- Also includes an assessee in default

Eg A person failed to deduct TDS → (Tax deduction at Source)

PY = Jis year ₹ kamate hai.
AY = ₹ Calculate Karke Tax pay Karte hai

(3) Exceptions of A.Y.

i.e Cases where PY & AY are same — जिस साल ₹ Kamaya usi साल tax Pay Karna hai

- Non-Resident involved in shipping business in India.
- Person leaving India for long duration or uncertain Period of time
- Body formed for a short duration. Eg Holi/diwali पिचकारी stall.
- Dis-Continuation of Business
- Alienation of Assets with a View to avoid taxes. (दूर करना) (अपना Goods किसी और को दे रहे हो अपने से दूर कर रहे हो)

• Ship mai beth Kar India Ke bahar jaa rhe the. Bhot long duration Ke liye But short duration mai Pahunch gye. Jese hi Videsh Pahunche. अपना Kadam Rakha iss asset Par or Vaha Ke Business Band ho gye.

(4) Capital vs Revenue Receipt

Capital Receipt Eg :- Land sell
life ins → Death के बाद ↓ घरवालो को amt. rec. होगा

Capital Expenses Eg :- P&L Purchase
Software design etc.

Revenue Receipt Eg :- Sale, interest etc.

Revenue Expenses Eg :- Goods purchase, Salary etc.

Revenue Receipt → बार-2 रु मिले

Income: Taxable, Exempt

Expenses: Allowed, Disallow

(i) All revenue receipts are generally Taxable except when exempted (Tax free) under the Act

Eg Agricultural income.

(ii) All revenue expenses are generally allowed except when denied under this Act.

↓ 'deducted' (minus)

↳ (मना करना)

Eg Personal expenses

(iii) All Capital Receipts are generally Not taxable unless Taxed under this Act.

Eg P & M, shares sell, L & B.

(iv) All Capital expenses are generally Not allowed under this Act except when allowed specifically

(5) **Components of income Tax**

- Income Tax Act 1961
- Finance Act
- Income Tax Act 1962
- Notification
  is binding everyone
- Circulation
  Clarification
  ↓
  Circular are binding on the income tax officer & not on the assessee.
- Court decision