| | | | |
|---|---|---|---|
| 10) Fees for technical services rendered in India but received in London | 8000 | 8000 | 8000 |
| 11) Profits from a business in Mumbai managed from London | 26000 | 26000 | 26000 |
| 12) Income from property situated in Nepal received there | 16000 | — | — |
| 13) Income from Agriculture land in Nepal received there and brought to India | 18000 | — | — |
| 14) Income from profession in Kenya, ^locals set up in India, received there, spent in India. | 5000 | 5000 | — |
| 15) Interest on savings bank deposit in SBI | 12000 | 12000 | 12000 |
| 16) Income from Russia, controlled from Russia | 20000 | — | — |
| 17) Dividend from Reliance Petroleum | 5000 | 5000 | 5000 |
| Gross Total Income | 352000 | 218000 | 183000 |

1) Note :- As per sec 10(1) Agriculture income from land in India is exempt from tax.

2) As per sec 56(2)(x), Gift received on occasion of marriage is exempt from tax

3) Income taxable on accruable basis so past untaxed income remitted in India in current year shall be ignored.

Q16 HW pg 24 computation of Total income

Mr Ramesh & Mr Suresh PY 25-26, AY 26-27

| | Particulars | NR Mr. Ramesh | ROR Mr. Suresh |
|---|---|---|---|
| 1) | Interest on canada development bonds (50% received in India) | 17500 | 40000 |
| 2) | Dividend from British company recd in london | – | 20000 |
| 3) | Profits from a business in Napur, managed directly from london | 100000 | 140000 |
| 4) | STCG on sale of shares of an Indian company received in India. | 60000 | 90000 |
| 5) | Income from business in chennai | 80000 | 70000 |
| 6) | fees for technical services rendered in India, received in canada | 100000 | – |
| 7) | Interest on savings bank deposit in UCO Bank, Delhi. | 7000 | 12000 |
| 8) | Rent Received in respect of HP at Bhopal | 70000 | 42000 |
| | Gross Total Income | 434500 | 414000 |

3) Income taxable on accruable basis so past untaxed income remitted in India in current year shall be ignored.

Q16 pg 24 HW

computation of Total income

Mr Ramesh & Mr Suresh PY 25-26, AY 26-27

| | Particulars | NR Mr. Ramesh | ROR Mr. Suresh |
|---|---|---|---|
| 1) | Interest on canada development bonds (50% received in India) | 17500 | 40000 |
| 2) | Dividend from British company recd in london | — | 20000 |
| 3) | Profits from a business in Napur, managed directly from london | 100000 | 140000 |
| 4) | STCG on sale of shares of an Indian company received in India. | 60000 | 90000 |
| 5) | Income from business in chennai | 80000 | 70000 |
| 6) | fees for technical services rendered in India, received in canada | 100000 | — |
| 7) | Interest on savings bank deposit in UCO Bank, Delhi. | 7000 | 12000 |
| 8) | Rent Received in respect of HP at Bhopal | 70000 | 42000 |
| | Gross Total Income | 434500 | 414000 |

WN1:- IFHP

| | R | S |
|---|---|---|
| Rent Rec'd | 100000 | 60000 |
| (-) Ded$^n$ 30% | (30000) | (18000) |
| IFHP | 70000 | 42000 |

Q7 pg 11

Mr. Dhruv PY 25-26 AY 26-2

(a) Determine Residential status.

| Particulars | No. of Days | Satisfied/ Not satisfied |
|---|---|---|
| Basic conditions | | |
| (i) Stay in India for 182 days or more in PY | 164 days | Not satisfied |
| OR | | |
| (ii) Stay in India for 60 days or more in PY And 365 days or more in last 4 PY's | → | Not applicable |

Conclusion :- He is treated as NR for PY 25-26

| A | M | J | J | A | S | O | N | D | J | F | M |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 30 | 31 | 30 | 31 | 12 | – | – | – | – | 12 | 18 | – |

PY 25-26 = 164 days

PY 26-27 = 40 days

Calculation of Tax liability

→ Taxes as per Default Tax Regime u/s 115BAC

upto 282000 — —

NIL

→ Taxes as per Normal Prov. (opt out from 115BAC)

upto 250000 — —

> 250000 upto 282000 5% 1600

1600

(–) Rebate u/s 87(A) N.A

1600

Add: HEC 4% 64 i.e 1660

1664

(b) If Gift from wife friends is ₹16,00,000 instead of ₹2,82,000.

If Indian citizen or person of Indian origin visit India and his total Income (Other than foreign source Income) is more than ₹1500000 then we have to check 2nd Basic condition and instead of 60 days, 120 days shall be considered.

| Particulars | No of Days | Satisfied / ~~Not satisfied~~ |
|---|---|---|
| Basic condition | | |
| (i) stay in India for 182 days or more in PY | 164 days | Not satisfied |
| or | | |
| (ii) stay in India for 120 days or more in PY | 164 days | Satisfied |
| and | | |
| 365 days or more in last 4 PY's | 400 days | |

Conclusion :- He is treated as R but NOR

Calculation of tax as per default tax regime

| | | |
|---|---|---|
| upto 400000 | — | — |
| >400000 upto 800000 | 5% | 20000 |
| >800000 upto 1200000 | 10% | 40000 |
| >1200000 upto 1600000 | 15% | 60000 |
| | | 120000 |
| Add :- HEC 4% | | 4800 |
| | | 124800 |

Calculation as per old tax Regime (Normal Prov.)

| | | |
|---|---|---|
| upto 250000 | — | — |
| >250000 upto 500000 | 5% | 12500 |
| >500000 upto 1000000 | 20% | 100000 |
| >1000000 upto 1600000 | 30% | 180000 |
| | | 292500 |
| Add :- HEC 4% | | 11700 |
| | | 304200 |

Note :- As per sec 56(2)(x) any gift received from relative shall not be taxable. Parents of spouse and sister of spouse is covered in the definition of relative. So gift from them is exempt.

Q9
pg 16

Mr Raghu PY 25-26 AY 26-27

Determine Residential status

| | No of Days | Satisfied/Not |
|---|---|---|
| Basic conditions | | |
| (i) stay in India for 182 days or more in PY | 179 days | Not satisfied |
| or | | |
| (ii) stay in India for 60 days or more in PY | 179 days | satisfied |
| And | | |
| 365 days or more in last 4 PY's | 380 days | |
| Additional condition | | |
| (i) Resident in India for 2 PY's or more in last 10 PY's | — | — |
| And | | |
| (ii) stay in India for 730 days or more in last 7 PY's | 700 days | Not satisfied |

Conclusion :- since Mr Raghu satisfied Basic condition but he could not satisfy both the additional conditions so he will be treated as R but NOR.

When Assessee is a R but NOR then only Indian income is taxable and foreign Income is taxable only if business is controlled from India or profession was set up in India.

Computation of Total Income

| | | |
|---|---|---|
| Salary from Indian company | 1500000 | |
| (–) Standard deduction u/s 16 | (50000) | 1450000 |
| Interest on Bank FD with PNB | | 10500 |
| GTI | | 1460500 |
| (–) :- 80TTB interest on FD | | (10500) |
| | | 1450000 |

Q8 HW pg 14

Miss Charlie PY 25-26 AY 26-27

Determine Residential status

| Particulars | No of Days | Satisfied/ Non satisfied |
|---|---|---|
| Basic conditions | | |
| (i) Stay in India for 182 days or more in PY | 177 days | Not satisfied |
| or | | |
| (ii) Stay in India for 60 days or more in PY | → | Not applicable |
| And | | |
| 365 days or more in last 4 PY's | | |

Conclusion :- She is treated as Non Resident

Income from House Property

| Particulars | ₹ |
|---|---|
| Gross Annual value | 275000 |
| (-) Municipal Taxes | — |
| Net Annual value | 275000 |
| (-) Deduction u/s 24 | |
| (a) standard deduction @30% NAV | (82500) |
| (b) Interest on loan | (97500) |
| IFHP | 95000 |

Calculation of Tax liability

As per Normal Provision (opt out from default tax Regime 115BAC)

₹ 267000 (95000 + 172000)

| | | |
|---|---|---|
| upto 250000 | — | — |
| > 250000 upto 267000 | 5% | 850 |
| | | 850 |
| Add:- HEC 4% | | 34 |
| | | 884 |
| | | i.e 880 |

b) If Miss Charlie was a person of Indian origin and her total Income from Indian sources was 18,00,000

| Particulars | No of Days | Satisfied / Not satisfied |
|---|---|---|
| Basic condition | | |
| (i) Stay in India for 182 days or more in PY | 177 days | Not satisfied |
| or | | |
| (ii) Stay in India for 120 days or more in PY | 177 days | Satisfied |
| And | | |
| 365 days or more in last 4 PY's | 16 days | Not satisfied |

Conclusion:- She is treated as Non Resident as any of the basic conditions ~~are~~ is not fully satisfied.

| M | T | W | T | F | S | S |
|---|---|---|---|---|---|---|

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YOUVA

~~Calculation of Tax as per default tax Regime~~

| | | | |
|---|---|---|---|
| | upto 400000 | — | — |
| >400000 | upto 800000 | 5% | 20000 |
| >800000 | upto 1200000 | 10% | 40000 |
| >1200000 | upto 1600000 | 15% | 60000 |
| >1600000 | upto 1800000 | 20% | 40000 |
| | | | 160000 |