Q15 / pg 34

Mr X PY 25-26 AY 26-27

computation of gross Total Income

Income from salary		
Basic salary (20000 x 10m)		200000
DA. (50% of Basic salary)		100000
Gratuity Rec'd	600000	
(-) Exempt u/s 10(10) (Note 1)	(519231)	80769
Uncommuted pension (5000 x 2m) (1/2/26 to 31/3/26)		10000
Commuted Pension rec'd	300000	
(-) Exemp u/s 10(10A) (Note 2)	(150000)	150000
leave salary rec'd	330000	
(-) Exempt u/s 10(10AA) (Note 3)	(200000)	130000
Car transfer to EE (Note 4)		56000
Gift voucher		6000
Gross salary		732769
(-) Standard dedn u/s 16		(50000)
Net salary / gross Total Income		682769

→ Note 1:- Gratuity Exempt u/s 10(10) [POGA Employee]

(i) 15/26 x salary pm x No. of years of completion of service

15/26 x 30000 x 30 years	519231
(ii) Actual Amt Recd	600000
(iii) Max 2000000	2000000
	519231

salary pm

latest Basic salary :	20000
latest DA (Both) :	10000
	30000

→ Note 2:- commuted pension [Gratuity Recd]

Exempt Amt = Total Pension x 1/3

= 450000 x 1/3 = 150000

300000 → 2/3

1

$300000 \times \frac{3}{2} = 450000$

→ Note 3:- leave salary exempt u/s 10 (10 AA)

(i) Leave credit x Avg salary pm	
(330 days / 30 days) 11 m x 20000	220000
(ii) 10 months x Avg salary pm	200000
10 m x 20000	
(iii) Actual Amt Recd	330000
(iv) Max 2500000	2500000

Teacher's Signature:..................

Avg salary pm:

Avg of Basic salary of last 10 m	20000
Avg of DA (T) of last 10 m	–
Avg of T/O comm of last 10 m	–
	20000

→ Note 4: car transfer to employee

Taxable Amt = WDV − consideration

= 256000 − 200000

= 56000

Cost of car	500000
(−) Depn @ 20% 1st year	(100000)
2nd year	(80000)
3rd year	(64000)
	256000

30/1/23 —— 1 ——→ 29/1/24

30/1/24 —— 2 ——→ 29/1/25

30/1/25 —— 3 ——→ 29/1/26

30/1/26 ——————→ 29/1/27

↓ 31/1/26

→ Note 5:

Gift of TV (LCD) is not taxable under the head Salary as it is not recd from employer. It is not taxable under IFOS either as it is not covered in the definition of property.

Teacher's Signature:..................

→ Note 6 :-

In the present Qn nothing is given about DA so assume it is not in terms.

8. Lunch facility :-

It is exempt upto ₹50 per meal if lunch is provided in office premises or through paid voucher.

— Note -

1) Tea, coffee or breakfast provided in office → Not Taxable

2) Lunch is provided in remote Area → Not Taxable

9. House facility (Rent free Accomodation)

- Govt EE
  - Taxable as per licence fees decided by Govt [Given in Qn]
- Other Employee
  - House is owned by ER
    - Taxable Amt = 5% / 7.5% / 10% of salary* (CBDBACM)
  - Hired by ER (CBDBACM)
    - Taxable Amt (i) 10% of salary (ii) Hire charges paid by ER

Furniture also provided

Owned by ER

Taxable Amt. 10% of cost

Hired by ER

Taxable Amt. Hire charges paid by ER

* Population as per 2011 census

upto 15 lakhs → 5%

> 15 lakhs upto 40 lakhs → 7.5%

> 40 lakhs → 10%

— Notes —

1) Meaning of salary

B:- Basic salary

D:- DA (In terms)

B:- Bonus

A:- Taxable Allowance

C:- Commission (All types)

M:- Other Monetary income (exclude perquisite)

2) For computing BDBACM, perquisite should not be considered.

3) BDBACM should be calculated on due basis. It means salary of current period should be considered. Advance salary, Arrears salary should be ignored.

4) For computing BDBACM, retirement benefit should not be considered ie gratuity, pension, leave, salary, VRS, Retrenchment compensation

5) BDBACM should be considered for the time for which Assessee had occupied the house.

6) Employer contribution towards PF and interest on PF should not be considered.

7) If Employee is provided [on his transfer from one place to another] a house, at the new place of posting while retaining the house at other place, the taxable Amount shall be determined for 1 house having low perquisite value for period of 90 days and thereafter the value of perquisite should be charged for both the houses.

8) If house is provided for more than 1 Previous Year then value of perquisite shall not be more than :-

$$\text{Value calculated for 1st PY} \times \frac{\text{Index of current PY}}{\text{Index of first PY}}$$

(Applicable from PY 23-24)

Eg. M/s Diksha working with Reliance Industry Ltd from 1/4/23 in Mumbai. Company provided house to Diksha which is owned by company. Salary of PY 23-24 is ₹4000000 and PY 25-26 is ₹7000000 [BDBACM]. Calculate value of perquisite for PY 23-24 and 25-26

→ Value of perquisite for PY 23-24

$4000000 \times 10\% = 400000$

* Mumbai → Population > 40 lakhs

Value of perquisite for PY 25-26

$7000000 \times 10\% = 700000$

or

$400000 \times \frac{376 (25-26)}{348 (23-24)} = \underline{432184}$

perquisite taxable in PY 25-26 = 432184

10. Hotel facility

Taxable Amt = (i) 24% of salary (BDBACM) xxx
(ii) Rent (Hire charge) paid by ER xxx

xxx

- Notes -

1) If Hotel facility is provided at the time of transfer of employee and if it is upto 15 days then it is not taxable

2.) If House and Hotel facility is provided by employer and if employer recovered any rent from employee then such rent should be deducted from Above Taxable Amount

Q13/pg33 Mr C PY 25-26 ; AY 26-27

a) Computation of taxable value of perquisite

Taxable Amt = 10% of salary (BDBACM)
= (73000 × 10%)
= ₹ 7300

B = 62500 (12500 × 5M)
D(T) = 3000 (600 × 5m)
B = 7500 (1500 × 5m)
A = –
C = –
M = –
73000

b) Mr C required to pay rent 1000 pm

	₹
Value of perquisite	7300
(-) Rent paid by C (1000 × 5m)	5000
Taxable perquisite	2300

c) IF ABC Ltd taken House on Rent

Taxable Amt
(i) Salary × 10% : 7300
(ii) Hire charges paid by ER : 5250
(1050 × 5m)

	5250
(-) Rent Recd From Mr C	(5000)
Taxable perq.	250

d) computation of value of furnished accomodation

Value of House	7300
Add:- Budget of TV	
(cost x10% x 3/12)	625
(25000 x10% x 3/12)	
Add:- Benefit of AC	
(400 x 2 x 5m)	4000
	11925
(-) Rent paid by EE (1000 x 5m)	(5000)
Taxable perq:	6925

e) If Mr C - Govt Employee

Taxable perquisite = 700 x 5 months

= ₹ 3500

11. car facility :-

(A) car is used for fully office purpose :- Fully Exempt
In this case employer has to maintain record of each journey and employer issue a certificate that car is exclusively used for office purpose.

(B) car is used for fully personal purpose :

Taxable Amt.

Asset owned by ER | Hired by ER

10% of cash | Hire charges paid by ER

Add :- Drivers salary (If paid by ER) xx
Add :- Running and Maintaining chgs (If its paid by ER) xx
Taxable perquisite xx

c) car is used for partly office or partly personal purpose:

POPP (Partly office partly personal)

- car is owned by EE
  - Running and Maintaining charges paid by
    - EE → No Benefit, Not Taxable
    - ER →

Taxable Amt =	Running and M charges	xxx
	Less: 1800 pm / 2400 pm (upto 1600cc) (>1600cc)	(xxx)
	Taxable perquisite	xxx

- Owned by ER
  - Running and Maintaining charges paid by
    - EE → Taxable Amt = 600 pm (upto 1600 cc) / 900 pm (>1600cc)
    - ER → Taxable Amt = 1800 pm (upto 1600 cc (1.6 litre)) / 2400 pm (>1600cc)

another name of cc