Note 1 :- Tax on 813000

upto 160000		—	—
>160000	upto 500000	10%	34000
>500000	upto 800000	20%	60000
>800000	upto 813000	30%	3900
			97900
Add :- Ed cess @ 3%			2937
			100837

Note 2 :- Tax on 710000

upto 160000		—	—
>160000	upto 500000	10%	34000
>500000	upto 710000	20%	42000
			76000
Add :- Ed cess @ 3%			2280
			78280

Note 3 :- Tax on 942000

upto 180000		—	—
>180000	upto 500000	10%	32000
>500000	upto 800000	20%	60000
>800000	upto 942000	30%	42600
			134600
Add :- Ed cess @ 3%			4038
			138638

Note 4 :- Tax on 825000

upto 180000		—	—
>180000	upto 500000	10%	32000
>500000	upto 800000	20%	60000
>800000	upto 825000	30%	7500
			99500
Add :- Edu cess @ 3%			2985
			102485

Note 5 :- Tax on 1075000

upto 250000		—	—
>250000	upto 500000	10%	25000
>500000	upto 1000000	20%	100000
>1000000	upto 1075000	30%	22500
			147500
Add :- Edu cess @ 3%			4425
			151925

Note 6 :- Tax on 950000

upto 250000		—	—
>250000	upto 500000	10%	25000
>500000	upto 950000	20%	90000
			115000
Add :- Edu cess @ 3%			3450
			118450

(RPF pg 45-46) continue...

Mr Arush joined a job on 1|4|24 on a salary of ₹40,00,000 p.a. EE and ER both contribute 10% of salary to RPF. on 1st April every year. Calculate Interest taxable. for PY 24-25 & PY 25-26. Assume RPF Int. Rate is 8%.

PY 24-25 Interest on RPF

ER cont : 400000 x 8% = 32000 [Exempt]

EE cont :- 400000 → 250000 x 8% = 20000 → Exempt

→ 150000 x 8% = 12000 → Taxable

PY 25-26

Tax free RPF		Taxable RPF	
ER cont and Int	432000	EE cont	150000
EE cont and Int	270000	Int	12000
Op Bal	702000	Op Bal	162000
↓		↓	
Int @ 8%	56160	Int @ 8% = 12960	
↓		Taxable	
Exempt			

current year cont.

ER cont : 400000 x 8% = 32000

EE cont :- 400000 → 250000 x 8% = 20000 → Exempt

→ 150000 x 8% = 12000 → Taxable

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

Sec 17(2)(vii) :- Employer contribution towards RPF/ASF/NPS

Employer cont toward Recognised Provident fund, Approved super Annuation fund, National Pension scheme in excess of 750000 is treated as perquisite in hand of employee and it is taxable

Sec 17(2)(viia) : Annual Accreation

Annual Accreation by way of Interest, Dividend, similar amount on cont of more than 750000 by ER also treated as perquisite and taxable in hands of EE.

Calculation of Annual Accreation of Int, Div. etc

$$\text{Taxable Amt} = \frac{PC}{2} \times R + (PC_1 + TP_1) \times R$$

PC :- Employer cont. in RPF/ASF/NPS in excess of ₹750000 in CY.

PC_1 :- ER cont in RPF/ASF/NPS in excess of ₹750000 in last PYs.

TP_1 :- Interest/Dividend already taxable u/s 17(2)(viia) in last PY

R :- I / Favg

I :- Income from RPF/ASF/NPS in CY

$$P_{avg} :- \frac{\text{Agg Bal of RPF/ASF/NPS on 31/3/25} + \text{Agg Bal of RPF/ASF/NPS on 31/3/26}}{2}$$

Q9/pg31

Mr X

For PY 23-24

Basic salary (600000pm x 7m)	=	4200000
DA (8% of Basic salary)	=	336000
		4536000

ER cont to RPF :- (4536000 x 10%) = 453600

Note : since ER cont towards RPF is not more than 750000 pa so Nothing is taxable u/s 17(2)(vii) and 17(2)(viia)

PY 24-25 (AY 25-26)

Basic salary (600000 x 12 m)	7200000
DA (8% of Basic salary)	576000
	7776000

ER cont to RPF :- 10% of 7776000

= 777600

Taxable u/s 17(2)(vii) : (777600 - 750000) = 27600

Taxable u/s 17(2)(viia) $= \frac{PC}{2} \times R + (PC_1 + TP_1) \times R$

$= \frac{27600}{2} \times 0.1110$

$= 1532$

$R = \frac{I}{F_{avg}} = \frac{206711}{1862092} = 0.1110$

Interest Income for PY 24-25

Closing Bal of RPF	2743048
(-) Op. Bal	(981137)
	1761911
(-) EE cont	(777600)
(-) ER cont	(777600)
Int. for PY 24-25	206711

$F.avg = \frac{981137 + 2743048}{2}$

$= 1862092$

For PY 25-26 (AY 26-27)

Taxable perquisite u/s 17(2)(vii) :-

ER cont (7776000 x 10%)	777600
	750000
Taxable Amt	27600

Taxable Amt u/s 17(2)(viia)

$\frac{PC}{2} \times R + \left(PC_1 + TP_1 \right) \times R$

$\frac{27600}{2} \times 0.095 + (27600 + 1532) \times 0.095$

$= 4079$

$$R = \frac{I}{F.avg} = \frac{350307}{3695802} = 0.094$$

Closing Bal.	4648555
(-) Op. Bal	2743048
	1905507
(-) EE cont.	777600
(-) ER cont.	777600
	350307

$$Favg = \frac{2743048 + 4648555}{2}$$

$$= 3695802$$

Salary

- Ext Allowance
  - Basic Salary
- Gratuity (POGA)
  - Basic + DA (Both)
- House/ Hotel facility
  - BDBACM
- Gratuity (NON POGA) HRA, leave salary, ER cont to RPF VRS
  - Basic + DA(T) + T/O comm

DEDUCTION U/C VI A

Dedn U/S 10AA: Special provision for unit located in SEZ.

1] In computing total income of an undertaking which begins manufacturing business or computer software in any sez.
Dedn under this section is available only if SEZ unit has received approval upto 31/3/2020 and begins Man. or software development business 31/3/2021

Amount of Deduction:

1. For first 5 AY ⟶ 100% of Export Profit

2. For Next 5 AYs ⟶ 50% of Export Profit

3. For Next 5 AYs ⟶ (i) Amt. credited to SEZ reinvestment Allowance Reserve A/c
OR
(ii) 50% of Export Profit whichever is lower.

2] Export Profit = PGBP of unit located in SEZ × Export T/O* / Total T/O

$$\text{Export Profit} = \text{PGBP of unit located in SEZ} \times \frac{\text{Export T/O}^{*}}{\text{Total T/O}}$$

* Export T/O means consideration in respect of export brought into India in convertible foreign currency within 6 months from the end of the PY or time permitted by RBI

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

NOTES –

1) Sale proceed deemed to have been recd in India if such amt is credited to a seperate A/c maintained by Assessee outside India with the approval of RBI

2) Amt credited to SEZ reinvestment Allowance Reserve A/c should be utilised for acquiring new plant and Machinery and put to use within 3 yrs from the end of the PY in which reserve was created.
If Amt is missutilised or unutilised then dedn claim earlier shall be taxable as PGBP.

– Deemed Income –
a) If Reserve is misutilised → In the year of misutil-ization.

b) If Reserves is unutilised → In the yr after 3 yrs perio

3] Export T/o and Total T/o. does not include freight, insurance, telecommunication charges, expenses incurred for providing technical services outside India.
Further ET/O and Total T/O does not include cash compensatory support, duty drawback and Profit on sales of Import Entitlement license

4] Dedn u/s 10AA available after claiming all the dedn u/c VI A from GTI

Q25/pg 171 Calculation of Dedn u/s 10AA [6th year of operation]

Export Profit = PGBP × Export T/O / Total T/O

$= 3000000 \times \frac{5000000}{10000000}$

$= 1500000$

Dedn u/s 10AA :- 1500000 × 50% = 750000.

Q26/pg 171 Calculation of Dedn u/s 10AA
(10th year of operation)

Export Profit = PGBP unit in SEZ × Export T/O / Total T/O

$= 6000000 \times \frac{3cr}{4cr}$

$= 4500000$

Dedn u/s 10AA = 4500000 × 50%.
= 2250000
(10th year)

DEDUCTION U/C VIA / DEDUCTION FROM GTI

1. Deduction u/c VIA is restricted to Gross Total Income (GTI) and dedn cannot be carried forward

Income from salary	50000
Income from HP	20000
PGBP	–
CG	–
IFOS	–
GTI	70000
(-) Dedn u/c VI A	
LI Premium	70000
120000	×

2. Deduction u/c VI A not allowed against LTCG, LTCG 112A, STCG 111A or any special Rate of Income like winnings or deemed income

PGBP	90000
LTCG	200000
STCG 111A	150000
winnings	50000
GTI	490000
(-) Dedn u/c VI A	(90000)
PPF 150000	
NTI	400000