

Direct Taxation

T.Y.B.Com.
(Semester – V)

COMPUTATION OF TOTAL INCOME

(Income from House Property, Income from Other Sources and Deductions under Chp. VI-A)

1. Mr. Kedar Patwardhan owns two house properties. Following are the details regarding these houses for the year ended 31/03/2023.

(A) House Property I (self occupied)

- (1) Annual value ₹ 4,00,000.
- (2) Municipal taxes paid ₹ 20,000.
- (3) Loan from ICICI Bank of ₹ 15,00,000 for acquiring the house property in 2020.
- (4) Interest paid on the above loan ₹ 1,80,000 for the year.
- (5) Repayment of principal amount on housing loan during the year ₹ 30,000.

(B) House Property II (let out)

- (1) Fair rent ₹ 3,25,000.
- (2) Actual rent received ₹ 30,000 per month.
- (3) Municipal taxes paid ₹ 18,000.
- (4) Collection charges paid ₹ 500.
- (5) Interest paid on loan for construction of house property ₹ 40,000.

(C) His other income was Interest on Public Provident Fund ₹ 6,000.

(D) Mr. Patwardhan is physically handicapped (upto 30%)

Compute the Net Taxable Income of Mr. Patwardhan for the Assessment Year 2023-24.

2. Mr. Dilip Raje (senior citizen) has let out his house property situated at Pune for residential purpose, the details of which for the year ended 31st March, 2023 are as follows :

(1) Fair Rent	₹ 2,75,000
(2) Gross Municipal Valuation	₹ 2,60,000
(3) Actual Rent received	₹ 3,00,000
(4) Municipal Taxes paid by the tenant	₹ 10,000
(5) Collection charges incurred	₹ 5,000
(6) Repair expenses	₹ 4,500
(7) Insurance premium paid for insuring the property	₹ 2,800
(8) Interest paid on funds borrowed for purchasing the property (Loan was taken in May 2013)	₹ 35,000

Following are the details of his other income earned by him during the previous year 2022-23 :

(i) Interest accrued on Fixed Deposits with Bank	₹ 10,000
(ii) Interest accrued on Public Provident Fund A/c	₹ 2,000
(iii) Interest on Savings A/c with Saraswat Co-op. Bank Ltd.	₹ 5,000

During the previous year 2022-23 he made the following investments and payments :

- (a) Investments in N.S.C. ₹ 70,000.
- (b) Investments in Public Provident Fund ₹ 60,000.
- (c) Paid ₹ 25,000 by cheque as premium towards medical insurance policy for self.

Compute the Net Taxable Income of Mr. Dilip Raje for A.Y. 2023-24.

3. Ms. Netra who is totally blind, has let out her house property situated at Navi Mumbai for Residential purpose. The details of the said property for the year ended 31st March, 2023 are as follows :

- (1) Rent received ₹ 1,20,000.
- (2) Municipal Valuation ₹ 1,00,000.
- (3) Fair Rent ₹ 1,50,000.
- (4) Municipal Taxes paid by tenant ₹ 10,000.
- (5) Interest on Loan taken from ICICI Bank for construction of house property ₹ 35,000.
Loan was taken in April, 2012.

Following are the details of other income earned by her during the year :

- (i) Interest accrued on NSC ₹ 20,000.
- (ii) Interest accrued on Public Provident Fund Account ₹ 5,000.
- (iii) Dividend from M/s. Raymond Ltd. ₹ 10,000.
- (iv) Interest accrued on private loans to friends & relatives ₹ 60,000.

Compute the Net Taxable Income of Ms. Netra for Financial Year 2022-23, relevant to Assessment Year 2023-24.

4. Mr. Akhil is partially blind (72% disability). He gives you the following information for previous year 2022-23 :

Particulars	House 1 (Self occupied)	House 2 (Let out)
(1) Fair Rent (per month)	35,000	35,000
(2) Rent received (per month)	Nil	40,000
(3) Municipal Taxes :		
(a) Actually paid	10,000	10,000
(b) Outstanding as on 31/03/2023	5,000	5,000
(4) Maintenance charges	9,000	9,000
(5) Interest of Housing Loan : (loan taken after 1/4/1999)		
(a) Paid during the year	40,000	46,000
(b) Outstanding as on 31/03/2023	8,000	Nil

Other information :

Interest received from Savings Bank A/c ₹ 15,000

Interest accrued on Kisan Vikas Patra ₹ 5,000

Winning from lotteries (TDS ₹ 20,000) Net ₹ 30,000

Compute the Taxable Income of Mr. Akhil for the Assessment Year 2023-24.

5. Mr. Prem provides following particulars of his Income for the previous year ended 31st March, 2023. You are required to compute the Net Taxable Income for Assessment Year 2023-24 :

Particulars	House A (Self occupied)	House B (Let out)
(1) Municipal Valuation (per month)	30,000	40,000
(2) Rent received (per month)	—	50,000

(3)	House B was vacant for 2 months		
(4)	Municipal Taxes :		
	Paid by tenant	–	15,000
	Paid by owner	10,000	30,000
(5)	Interest on borrowed capital		
	Paid during the year	20,000	60,000
	Outstanding on 31/03/2023	5,000	60,000
(6)	Maintenance Charges	12,000	18,000

Other information :

(i)	Interest on Deposits with Bank	₹ 75,000
(ii)	Interest on Savings Account with Bank	₹ 12,500
(iii)	Interest on Government Securities	₹ 14,000
(iv)	Interest on Debentures	₹ 45,000
(v)	Interest from Public Provident Fund	₹ 1,50,000
(vi)	He invested ₹ 1,00,000 into Public Provident Fund Account.	

6. Following details are available for the year ended 31st March, 2023 for the house properties owned by Homesick, an Indian resident :

Particulars	Mumbai (₹)	Delhi (₹)
Municipal Valuation	94,000	72,000
Fair Rent	92,000	78,000
Actual Rent received	96,000	76,000
Building Maintenance charges	7,000	2,400
Fire Insurance Premium	0	4,200
Municipal Tax @ 10% of Municipal Valuation	Paid	Due but not paid

He borrowed ₹ 5,00,000 for the renovation of Delhi property on 1/7/2022. Interest for the year 2022-23 amounted to ₹ 45,000.

He received interest of ₹ 65,000 on term deposits with bank and savings account interest of ₹ 8,000. He has a dependent son who is suffering from 'severe physical disability' (88%) and he has incurred expenses on his maintenance.

Compute his Taxable Income of Homesick for the Assessment Year 2023-24.

7. Mr. Ganesh Shinde furnishes the following information of his income and investments for the previous year 2022-23.

- (a) Information regarding his House Property :

Particulars	House I (Let out)	House II (SOP)
Fair Rent	90,000	60,000
Gross Municipal Valuation	80,000	50,000
Rent received	1,00,000	–

Municipal Taxes :

(i) paid by the tenant	5,000	—
(ii) paid by the owner	10,000	10,000

Interest (due but not paid) on capital borrowed for

Construction of House Property	20,000	20,000
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(b) Other information :

(i) He received interest from Debentures in Tata Steel Ltd. ₹ 20,000.

(ii) He received Dividend from UTI ₹ 5,000.

(iii) He paid premium of ₹ 25,000 towards approved pension plan of LIC of India.

Compute the Net Taxable Income of Mr. Ganesh Shinde for the Assessment Year 2023-24.

8. Mr. Wadekar owns two houses in Mumbai, the particulars of which are as follows for the previous year 2022-23 :

Particulars	House Property I	House Property II
(1) Nature of occupancy	Let out	Self occupied
(2) Municipal Valuation	₹ 2,00,000	₹ 3,00,000
(3) Fair Rent	₹ 1,90,000	₹ 2,70,000
(4) Rent received	₹ 3,50,000	Nil
(5) Municipal Taxes paid on 01/03/2023	₹ 20,000	₹ 30,000
(6) Fair Insurance Premium paid	₹ 3,000	₹ 5,000
(7) Collection charges	₹ 1,000	Nil
(8) Land revenue payable	₹ 1,500	₹ 2,400
(9) Interest paid on loan taken for construction of house property	₹ 1,60,000	₹ 40,000
(10) Repayment of principal amount of loan	₹ 50,000	₹ 10,000
(11) Date on which loan was taken	20/12/2006	25/01/2000

Mr. Wadekar also received the following Income during the Previous Year 2022-23 :

(i) Royalty on book written by him ₹ 25,000.

(ii) Dividend received from co-operative society ₹ 5,000.

(iii) Interest received on Debentures from Indian Company ₹ 5,000.

He contributed ₹ 11,000 to LIC Pension Fund Policy.

Compute the Net Taxable Income of Mr. Wadekar for the Previous Year 2022-23 relevant to Assessment Year 2023-24.

9. Mr. Shastri owns two houses. The details regarding these houses for the year ended 31/3/2023 are as follows :

- (a) The First House the Fair Rent of which is ₹ 2,25,000 was let out at ₹ 20,000 p.m. He paid ₹ 6,000 as interest on money borrowed for construction of this house, ₹ 900 as ground rent and ₹ 10,000 as Municipal Taxes.
- (b) The Second House of the Annual Value of ₹ 5,00,000 was occupied by him for his residence. Municipal Taxes paid by him were ₹ 25,000. He has borrowed ₹ 20 lakhs from HDFC Ltd. in April 2016 for acquiring this House Property. Interest due for the year was

₹ 2,00,000 and he has repaid ₹ 40,000 out of the loan amount during the year.

The details of his other Income during the year 2022-23 are as follows :

(i) Directorship fees received from JDC Ltd. ₹ 1,60,000.

(ii) Winning from Lottery ₹ 1,00,000.

Compute the Net Taxable Income of Mr. Shastri for the previous year ended 2022-23, relevant to Assessment Year 2023-24.

10. Mr. Mehra owns a house at Delhi, which is let-out. Fair rent of the house is ₹ 24,000 whereas actual rent received is ₹ 30,000. He also received ₹ 10,000 from the tenant for charges towards lift, generator and security. He makes the following expenditure in respect of the house property :

Particulars	Amount (₹)
Municipal Taxes paid by Mehra	4,000
Repairs	2,000
Fire Insurance	2,400
Land revenue	3,800
Collection charges	500
Ground rent paid	2,000

Interest on borrowed capital during the previous year 2022-23 is ₹ 4,000. Funds borrowed on April 1, 2019 ₹ 40,000 @ 10% interest p.a. were used for construction of the house which was completed on March 31, 2023.

Compute the Income earned by Mr. Mehra from his let-out house property during the Assessment Year 2023-24.

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