

FINANCE FOR ENGINEERS

GROUP-4 (Q.7,8)

7. Calculate the taxable income for AY 2022-23 in respect of an employee staying in own house in Chennai & having following salary details:

Basic – 30000 p.m.

DA – 140% of Basic

HRA – 25% of Basic

Conveyance – 1400 p.m.

Annual Investments U/S 80 C – 120000 (Other than LIC)

LIC Policy 1 - 20227 LIC Policy 2 – 5500, LIC Policy 3 - 7400

Also Calculate Income tax for the AY 2022-23.

8. Following salary details for AY 2022-23 are available in respect of an employee, staying in rented house in Bangalore.

Basic – 30000 p.m.

DA – 125% of Basic

HRA – 35% of Basic

Special Allowance – 3000 p.m.

Rent Paid –25000 p.m.

Annual Investments U/S 80 C –95000 (Other than P.F.)

P.F. Deduction – 12% of Basic

Mediclaime Policy Annual Premium - 20000

Calculate Income tax payable for AY 2022-23.

GROUP MEMBERS

1	2021300078	Sanika more
2	2021300080	Vinesh Narayan Nadar
3	2021300065	Pranav Sadanand Kore
4	2021300095	Mahesh Anil Patil
5	2021300101	Adwait Purao
6	2021300072	Ronak Matolia
7	2021300133	Adarsh Pati Tripathi
8	2021300016	Vaishnavi Borkar
9	2021300009	SANIYA BANGARE
10	2021300058	Ayush Vijay Kedare
11	2021300050	Palaash Jain
12	2021300017	Mihika Kishor Chachad
13	2021300085	Mohit Narwaiye

Q.7. AY 2022-23

Hence we apply the New Tax Regime with no exemptions and deductions.

Components	Per month	Annual amount
Basic salary	30,000	3,60,000
DA	140% of Basic = 42,000	5,04,000
HRA	7500	90,000
Conveyance	1400	16,800

Annual investments = 120,000

LIC Policy 1 = 20,227

LIC Policy 2 = 5,500

LIC Policy 3 = 7,900

Total Annual Salary = 9,70,800

Under the new Tax regime, there are no deductions and exemptions.

∴ Total taxable income = 9,70,800

The employee falls under the income tax slab of Rs 7.5 Lac to Rs. 10 Lac.

∴ Total Tax Payable = 73,445

Q.8. AY 2022-23

Hence new Tax Regime

Components	Per month	Annual.
Basic Salary	30000	3,60,000
DA	125% of Basic = 37,500	4,50,000
HRA	35% of Basic = 10,500	1,26,000
Special allowance	3000	36,000

Total annual salary = 9,72,000

Rent Paid = 25,000 pm.

Annual Investments = 95,000

PF Deduction = 12% of Basic

Mediclaime Policy Annual Premium = 20,000

Since we are applying new Tax Regime there are no exemptions and deductions.

\therefore Total taxable income = 9,72,000

The employee falls under the income tax slab of 7.5 lac to Rs. 10 Lac

Total Tax Payable = 73,632

Annual

Q.7. Basic = 30000 pm	3,60,000/-
DA \Rightarrow 140% of Basic = 42000 pm	5,04,000/-
HRA = 7500 pm (25% of Basic)	90,000/-
Conveyance = 1400 pm	16,800/-

Annual Investments — 1,20,000/-

LIC Policy 1 — 20227

LIC Policy 2 — 5500

LIC Policy 3 — 7400

Net yearly income = 9,70,800/-
(Gross salary)

Net yearly investments = 1,53,127/-

i. Max. Deduction allowed = 1,50,000/-
(under section 80C)

ii. Standard Deduction = 50,000/-

Either standard deduction or conveyance allowance exemption

Net Taxable Income = 970800 - 150000 - 50000
= 7,70,800/-

iii. Profession Tax = 2500/-

Taxable Income = 7,68,300/-

No HRA exemption as staying in his own house.

Date ___/___/___

Under Old Regime,

Tax Slab	Rate	Amount
0 - 2.5L	NIL	NIL
2.5 - 3L	5%	2500
3L - 5L	5%	10,000
5L - 7,68,300L	20%	53,660

66,160/-

Health, Education cess = 4% of 66,160

$$= 2646.4$$

$$= 2647$$

Net Tax Payable = 68,807/-

Date ___/___/___

Annual

Q. 8) Basic = 30,000 p.m. 3,60,000/-

DA = 125% of Basic

= 37,500 p.m. 4,50,000/-

HRA = 35% of Basic

= 10,500 p.m. 1,26,000/-

Special

Allowance = 3000 p.m. 36,000/-

Rent = 25,000 p.m. 3,00,000/-

Annual

Investments = 95,000/-

P.F = 12% of Basic

= 3600 p.m. 43,200/-

Mediclaime

Annual Premium 20,000/-

Annual Gross Salary = 9,72,000/-

a) HRA Exemption:-

1) Actual HRA = 1,26,000/-

2) 50% (Basic + DA) = 4,05,000/-

3) Actual Rent - 10% (Basic + DA)

$$3,00,000 - \frac{10}{100} (8,10,000)$$

$$= 2,19,000/-$$

Least = 1)

HRA Exemption = 1,26,000/-

b) Under Section 80D, deduction of ^{upto} ₹ 25,000 allowed every financial year.

Mediclaime Deduction = 20,000/-

Date ___/___/___

c) Standard Deduction = 50,000/-
Professional Tax = 2500/-

d) Net yearly investments = 95,000/-

43,200/-

= 1,38,200/-

Under section 80C,

max. deduction allowed = 1,50,000/-

Hence, 1,38,200/- Claimed.

Net Taxable Income = 972000

126000

20000

-(50,000 + 2500)

- 1,38,200

= 6,35,300/-

Date ____ / ____ / ____

Saathi

Under Old Regime,

Tax Slab	Rate	Amount
0 - 2.5L	NIL	NIL
2.5 - 3L	5%	2,500
3L - 5L	5%	10,000
5L - 6,35,300	20%	27,060
		<u>39,560/-</u>

Health, Education Cess = 4% of 39,560
= 1583

Net Tax Payable = 41,143/-