Time: 2 Hours **Total Marks 50**

NB:

1. All questions are compulsory.
2. Working notes form part of answer.
3. Figures to the right indicate full marks.
4. Use of simple calculator is permitted.

Q.1 (A) Professor Raju Chouhan, a UK citizen (not a person of Indian origin) is a visiting faculty at AHY University, provides you the details of his visit to India during the last 7 years. **(14)**

Previous Year	No. of Days stay in India	Previous Year	No. of Days stay in India
2016-17	125	2017-18	100
2018-19	190	2019-20	130
2020-21	15	2021-22	195
2022-23	181		

Prior to 01-04-2016 he did not visit India.

Find out his Residential Status for the Assessment Year 2023-24.

OR

Q.1 (B) Mr. Kishor has earned the following incomes during the financial year ended on 31st March, 2023. **(14)**

Compute his Gross Total Income for the Assessment Year 2023-24 assuming that he is:
i) Resident and Ordinary Resident
ii) Resident but not Ordinary Resident
iii) Non Resident

Sr. No.	Particulars	Rs.
1.	Past untaxed profit earned outside India, brought to India	5,00,000
2.	Income from agriculture in Singapore	2,00,000
3.	Income received in USA for services rendered in India	3,00,000
4.	Interest from deposits with Bank in India	1,00,000
5.	Rent from a property in Pune, received in USA	1,30,121
6.	Income from a business in Dubai, controlled from India	2,60,242
7.	Rent from a property in Germany received there but later remitted to India	1,51,366
8.	Royalty from Indian companies	2,00,001

Q.2 (A) Mr. Rajesh is the Sales Manager of M/S RK Pvt. Ltd. He provides you the following information for the previous year ending 31st March, 2023. **(12)**

a) Basic Salary @ Rs.15,500 per month.
b) Bonus received Rs.50,000/-.
c) Dearness Allowance Rs.2,000 per month.
d) Perquisite Value of Rent free accommodation Rs. 30,000.
e) Education Allowance @ Rs.1,500 per month (Exempt u/s 10 (14) Rs.1,200) per mont

f) Received Entertainment allowance @ Rs.1,950/- per month since 1st January, 2022.
g) Employer deducted profession tax Rs.2,500/- for the year 2022-23.
h) He was abroad on company's work during the month of October, 2022. Expenses incurred by him abroad Rs.95,000 was reimbursed to him.
i) Motor car is provided for both official and personal purposes with drivers. Perquisite value of car used for personal purpose is Rs.15,000.
Comput Net Taxable salary 2023-24

OR

Q.2 (B) Mr. Karan sold on 21-08-2022 his residential house in Mumbai for Rs.80,00,000. It was purchased on 01-05-2003 for Rs.8,00,000. Expenses on sale amounted to Rs.1,50,000. (12)

Mr. Karan incurred expenses on improvement on old house in financial year 2005-06 of Rs.1,60,000. He invested Rs.30,00,000 for purchase of new residential house on 01-11-2022.

You are required to compute Net Taxable Long Term Capital Gain for the assessment year 2023-24.

Relevant Cost Inflation Indices are as under:

Financial Year	CII
2003-04	109
2005-06	117
2022-23	331

Q. 3 (A) From the following particulars related to the financial year ended 31st March, 2023, compute Total Income of Mr. X who is employed with ABC Ltd. for the assessment year 2023-24 : (12)

Particulars	Rs.
Basic Salary per month	65,700
Dearness Allowance received @ 30% of Basic Salary	
Medical Allowance per month	5,000
Transport Allowance per month	3,000
Bonus received	1,08,000
Commission	63,000
Arrears of Salary for (2019-20 to 2021-22) received	81,000
Perquisite Value of Rent free Residential Accommodation	72,000
Professional Tax deducted from Salary	2,500
Contribution to Recognised Provident Fund by both Employer and Employee per month	4,000 each
Medical Insurance Premium for self, wife and only child paid during the year	27,000

OR

Q. 3 (B) Mr. A owns two properties, the details of which for the Financial Year 2022-23 are as follows : **(12)**

Particulars	Property I	Property II
Nature of occupation	Self occupied for residential purpose	Let out for residential purpose
Gross Municipal Valuation	Rs. 1,20,000 p.a.	Rs. 7,20,000 p.a.
Fair Rent	Rs. 1,50,000 p.a.	Rs. 8,10,000 p.a.
Standard Rent	Rs. 1,32,000 p.a.	Rs. 7,92,000 p.a.
Actual Rent	Nil	Rs. 1,20,000 per month
Actual let out period	Not applicable	11 months
Unrealised Rent	Not applicable	Rs. 90,000
Municipal Tax paid	Rs.12,000	Rs. 60,000
Interest on borrowings for 2022-23	Rs.1,80,000	Rs.1,53,000
Insurance premium paid	Rs. 15,600	Rs. 18,900

You are required to calculate Total Income of Mr. A for the Assessment Year 2023-24 after considering the following information :

1. Property II remained vacant for ONE month.
2. Municipal Tax is paid @ 10% of Municipal Valuation. Actual tax paid above 10% of Municipal Valuation is for clearing outstanding tax of the previous year.
3. Date of borrowing for construction of the property I was 1st January, 2019, however the construction was completed on 30th April, 2021. He had borrowed Rs. 20,00,000 @ 10% interest from State Bank of India.
4. During the year he paid interest of Rs. 60,000 on the loan borrowed for the purpose of higher education for self.
5. He expended Rs. 78,900 for medical treatment of his dependent brother who is physically handicapped. The disability is 55% as certified by medical authority.

Q. 4 (A) The following is the Profit and Loss Account of M/S. VFX, a partnership firm for the Financial Year 2022-23. They request to compute the Net Taxable Income and also Income Tax payable for the Assessment Year 2023-24. **(12)**

Particulars	Rs.	Particulars	Rs.
To Office Salaries	1,53,600	By Gross Profit	12,50,000
To Advertisement	1,23,600	By Commission	1,20,000
To Reserve for bad debts	8,400	By Bad Debts Recovery	9,300
To Printing & Stationery	21,000	By Miscellaneous Income	21,600
To Interest on Capitals @ 15%	1,20,000	By Interest on Investments (Net of TDS @ 5%)	15,200
To Repairs to building	15,900		
To Depreciation on Machinery	38,400		
To Personal Expenses	32,700		
To Salaries to Partners	2,79,900		
To Rates and Taxes	48,000		
To Interest on borrowings	30,000		
To Municipal Tax	52,500		
To Net Profit	4,92,100		
	14,16,100		14,16,100

Additional information :

a) Half of the borrowings on which interest has been paid, were applied for purchase of investments.

b) The bad debts in respect of which recovery is made, were not allowed in the past as a deduction.

c) Depreciation on machinery allowed as per Income Tax Rules Rs. 43,200.

OR

Q 4 (B) Write Short Notes (ANY THREE) (12)

1. Provisions of Section 40B
2. Provisions of Section 80DD
3. Indexed Cost of Acquisition
4. Loss Return u/s 139 (3)
5. Rebate from tax u/s 87A

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