

TEST 3 - INCOMES EXEMPT FROM TAX

Question 1

Mr. Suresh has set up an Undertaking in SEZ (Unit A) and another Undertaking in DTA (Unit B) in Financial Year 2015-2016. In the Previous Year 2020-2021, Total Turnover of the Unit A is ₹ 180 Lakhs and Total Turnover of Unit B is ₹ 120 Lakhs. Export Turnover of Unit A for the year is ₹ 150 Lakhs and the Profit for the Unit A is ₹ 60 Lakhs. Calculate the deduction available, if any, to Mr. Suresh u/s 10AA for Assessment Year 2021-2022, if the manufacturing started in Unit A in Financial Year 2015-2016.

Solution

Question 2

Rudra Ltd has one unit at Special Economic Zone (SEZ) and other unit at Domestic Tariff Area

Particulars	Rudra Ltd (₹)	Unit in DTA (₹)
Total Sales	6,00,00,000	2,00,00,000
Export Sales	4,60,00,000	1,60,00,000
Net Profit	80,00,000	20,00,000

Calculate the eligible deduction u/s 10AA of Income-Tax Act, for the Assessment Year 2021-2022, in the following situations:

- (i) If both the units were set up and start manufacturing from 22-05-2012.
- (ii) If both the units were set up and start manufacturing from 14-05-2016.

Solution

Question 3

Computation of Tax for various Assesseees having Agricultural Income For the Assessment Year 2019-2020, Net Agricultural Income of an Assessee is ` 2,58,000 and Non-Agricultural Income is ` 4,95,000. Find out the tax if the Taxpayer is - (a) an Individual, (b) an HUF, (c) a Firm, and (d) an Indian Company.

Solution**Question 4**

X Limited, grows sugarcane to manufacture sugar. The data for the Previous Year 2020-2021 is as follows - ?

1. Cost of Cultivation of Sugarcane	6,00,000
2. Market Value of Sugarcane when transferred to Factory	10,00,000
3. Other Manufacturing Cost	6,00,000
4. Sales of Sugar	25,00,000
5. Salary of Managing Director who looks after all operations of the Company	3,00,000

Solutions**Question 5**

For the assessment year 2021 - 2022, net agricultural income of Mrs. X (age 37 years) is Rs.8,10,000 and non agricultural income is Rs.4,78,300. Mrs. X pays Rs.20,000 as life insurance premium (sum assured: Rs.3,00,000) on the life of her major son. Determine her tax liability. Ignore section 115BAC pertaining to alternative tax regime.

Solution:

Question 6

For the assessment year 2021 - 2022, X an individual (Age 62 years), submits the following information:

	Rs.
House property income	6,25,000
Income from the business of growing and manufacturing coffee in India (gross)	5,00,000
Expenditure on earning coffee income	2,000

Determine the tax liability of X for the assessment year 2021 - 22 on the assumption that he contributes Rs.60,000 towards public provident fund. Ignore section 115BAC pertaining to alternative tax regime.

Solution

Question 7

XYZ is a wholly charitable trust. During the previous year 2020 - 2021, it reports the following income and expenditure:

	Income Rs.	How much is applied for charitable purposes Rs.
Income from property held for charitable purposes	15,00,000	6,00,000
Voluntary contribution for corpus of the trust (names and addresses of donors available)	80,00,000	Nil
Voluntary contribution without any direction (names and addresses of donors available)	40,00,000	12,75,000
Voluntary contribution without any direction (names and address of donors not available)	30,00,000	26,00,000

In this case, Rs.80,00,000 (being voluntary contribution for corpus of the trust) is not chargeable to tax. Anonymous donation is Rs.30,00,000 (names and addresses of donors are not available). In respect of anonymous donation, exemption under section 11 is not available. Taxable income and tax liability will be calculated as follows:

Solution