

14.5.20

Income Tax (Taxation)

T. D. C Part III
B. Com.

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Question.

Mr. Jain Investment during the year ended on 31 March 2019 consist of the following:

- (i) 7% Government securities 50000
- (ii) 8% Agra Municipal Bonds 30000
- (iii) 9% Municipal Post Office Bonds 40000
- (iv) 7-year Post office National Saving certificate - 20000
- (v) 8% securities of a foreign government - 25000
- (vi) 7% Capital Investment Bonds 20000
- (vii) 12% Tax Free Debenture of Modi Rubber Limited (Listed in Mumbai Stock Exchange) 25000

He paid 120 as Commission for collecting the interest. He paid 1000 as interest on loan which he had taken for the purpose of purchasing the Mumbai Post Office Bonds. His taxable income under the Income Tax Act 1961 from other sources 2019-20

Solution.

(I) 7% Govt Securities - 3500

(II) 8% ^{Municipal} ~~Mumbai~~ Bonds - 2400

(III) 9% Mumbai Post Trust Bonds - 3600

(-) Gtd on loan. $\frac{1000}{}$ 2600

(IV) 8% Securities of Foreign Gov. 2000

(V) 12% Debenture of a limited company $\left(\frac{3000 \times 100}{90} \right)$ 3333

(-) Collection charge. 120

Taxable Income from other sources. 13713