

11/6/22

## Unit - II

# Income from Salaries

### Sec. 17

- I. SALARY → basic pay / salary + bonus + RPF
- II. Allowances → { 1. fully taxable  
2. partly taxable  
3. Tax free (exempted) recognised  
provident  
fund
- III. Perquisites
- IV. profits in lieu of salary → 1. Refund from RPF  
2. Retrenchment  
compensation,  
3. Voluntary  
retirement.

1. Define the term salary and explain its components?

Ans: It is the amount paid by the employer to the employee regarding their services.

Section 17(1) defines salary which includes the following :-

- ① Wages
- ② Any annuity or pension
- ③ gratuity
- ④ Any fees, commission, perquisites
- ⑤ Any advance salary
- ⑥ Leave encashment salary
- ⑦ Bonus
- ⑧ Recognised provident fund

gratuity means the employer pays an amount to the employee at the time of his retirement as a token of gratitude for the service rendered. It is treated as salary.

But in case of death, It is paid to his family members for his legal heirs.

2. What is meant by allowance explain its

Ans Amount paid by the employer along with salary to the employees in the form of cash it is known as allowances.

HRA (House rent allowances, entertainment allowances), DNS allowances. Other allowances are divided into 3 types:

1. Fully taxable Allowances
2. partly taxable allowances
3. Tax free (or) fully exempted

1. Fully Taxable Allowances:

These allowances which are fully taxable at all times.

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1. DNS allowance
  2. City Compensatory allowance
  3. Tiffin allowance
  4. medical allowance
  5. Lunch allowance
  6. Overtime allowance
  7. Marriage allowance etc...

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## 2. Partly Taxable allowances:-

These allowances are partly taxable and partly exempted to the employees

1. house rent allowance (HRA)
2. Entertainment allowance
3. Special allowance (special allowances provided by employer to the employee to meet official expenses are exempted, allowance spend for official purpose)  
Ex: Travelling allowance, uniform allowance, helper allowance

## 3. Tax free or fully exempted allowances :-

These allowances are fully exempted from tax.

- A. foreign allowance to government employees.
- B. Allowances from UNO
- C. Allowances to high court or supreme court judges.

3. What is meant by perquisites? Explain its types?

Ans:

perquisites are the benefits given to the employee by the employer in addition to salary or wages. Normally, there are given in kind. However, there are certain perquisites which are given in monetary terms.

Ex: Reimbursement of medical expenses

perquisites are 3 types  
1. perquisites taxable in all cases.

II. Perquisites taxable in specified cases.

III. Tax free perquisites.

I. Perquisites taxable in all cases:-

The following perquisites are taxable in the hands of employee:

1. Rent free accommodation
2. Interest free loan
3. Free lunch and Gifts
4. Credit card facility
5. Club facility
6. Travelling & touring etc.---

II. Perquisites Taxable in Specified Cases:-

An employee is considered as a specified employee, if he/she satisfies anyone of the following conditions.

A. He/she must be an employee-director in the employer company.

B. He/she should be the beneficial owner of equity shares carrying 20% or more voting power, in the employer company.

C. The total taxable monetary receipts of employee during the previous year after deductions under section 16 must exceed Rs. 50,000

The perquisites which are taxable in the hands of specified employee are as follows:-

1. Salary of domestic servants
2. Free children education

3. free gas, electricity and water facility
4. medical facility
5. Leave travel concession
6. Transport facility
7. motor car facility

### III. Tax free perquisites:-

The following are tax free perquisites to the employees.

1. Computers, Laptops given to an employee for official use.
2. Employers contribution to pension scheme.
3. Employers contribution to staff group insurance scheme.
4. free Hotel accommodation in case of transfer for not exceeding 15 days.
5. Free ration received by members of armed forces.
6. Interest free loan given by employer shall be exempted in the hands of employee, If the amount of such original loan does not exceed Rs. 20,000.
7. Goods manufactured by the employer is sold to the employees at concessional rates.

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4. Explain the term profits in lieu of Salary?

Ans profits in lieu of Salary includes the following

1. Refund from unrecognised provident fund  
(Employer's contribution + interest thereon shall be Taxable)
2. Compensation received for modification of and conditions of employment.
3. Payment in appreciation of service.
4. Retrenchment compensation received
5. Voluntary retirement compensation received
6. Share of Keyman insurance policy amount received by employee.

\*Imp

⑤ What is provident fund? Explain its types?

Ans

To promote Social Security for the employees through savings to the government as framed the scheme is known as provident fund. The salient features of the scheme are as follows:-

1. The employee contributes a fixed percentage (12% generally) on basic pay or basic pay + D.A towards the fund.
2. The employer contributes the same amount or higher or lower amount.
3. Interest integrated every year to the employee PF Ac.

When the employee retires he will be paid back his contribution, employer's contribution along with interest. In case of death, the amount is paid to the legal

heirs or survivors.

Types of provident fund:-

The following are types of provident fund:

1. Statutory provident fund. (SPF)
2. Recognised provident fund. (RPF)
3. Unrecognised provident fund (URPF)
4. Public provident fund (PPF)

1. Statutory provident fund (SPF):-

According to provident fund act 1925 governs the statutory provident fund. It applies to central and state government employees and recognized educational institutions.

2. Recognised provident fund (RPF):-

If the provident fund is recognized by the Commissioner of income Tax then it is known as recognised provident fund. It is maintained by business organisations.

3. Unrecognised provident fund (URPF):-

If the provident fund which is not recognized by the Commissioner of income Tax then it is known as unrecognised provident fund. It is applicable to private establishments.

#### 4. Public Provident fund (PPF):-

It is opened under the provident fund Act. generally it is opened by the general public in the state bank of india & head post offices. All types of persons can join in this scheme.

employees contribution and employers contribution is credited to employee PPF Ac. and interest is credited to this Ac. public provident fund amount contributed by public only in this case no employer contribution. PPF Ac is maintained upto 15 years after that total amount + interest paid to the persons.

6. What are the deductions allowed under section 16?

Ans: Taxable income under the head salaries is computed after making the following deductions:-

1. Standard deductions 16(i)
2. Entertainment allowance 16(ii)
3. Professional Tax paid 16(iii)

1. Standard deductions 16(i):-

Rs. 50,000 or amount of gross salary, whichever is less.

2. Entertainment allowance 16(ii):-

In case government employees either state or central government employees entertainment allowance is exempted. The allowance is 1<sup>st</sup> included in salary, after the deduction is allowed.

Least of the following is exempted from Tax:

- A.  $\frac{1}{5}^{\text{th}}$  & 20% of Salary.
- B. Actual allowance received.
- C. Standard limit Rs. 500.

3. professional Tax 16(iii):-

professional tax is allowed as deduction under section 16(iii), if the amount is paid by the employee the amount is allowed as deduction at last. while computing income from salary of assessee.

15/6/02  
7. What are the deductions allowed under ~~80c~~ 80C?

Ans:- The following incomes are deducted under section 80C:-

- ① Deposites in statutory provident fund.
- ② Deposites in recognised provident fund.
- ③ Deposites made by employee in U.R.P.F. (unrecognised provident fund).
- ④ payments of Life insurance premium.
- ⑤ Amounts invested in national Savings Certificate (NSC). VIII issue and IX issue.
- ⑥ Amount deposited with national housing bank (NHB).
- ⑦ Term deposits with various banks of not less than 5 years duration.
- ⑧ Repayments to housing, building loans.
- ⑨ post office time deposits, 5 years time deposits in any account.

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## House rent allowance (HRA) Sec 10 (13A)

An employee who is in receipt of house rent allowance can claim exemption, if he does not live in his own house and pays rent in excess of 10% of his salary for his residential accommodation.

metropolitan cities

Delhi  
Mumbai  
Kolkata  
Chennai

Least of the following three is allowed as deduction

- ① Actual allowance received
- ② Rent paid - 10% Salary
- ③ 50% of Salary

Salary for H.R.A

BASIC pay + D.A [If retirement benefits] + Commission on sales

Other cities

Least of the following three is allowed as deduction

- ① Actual allowance received
- ② Rent paid - 10% Salary
- ③ 40% of Salary

# PROBLEMS

1. Mr. Naresh is working in a company in new delhi  
Calculate HRA from the following particulars:-

Basic Salary 40,000 per month

DNS allowance for Rs. 86,400 (for retirement benefits)

annual bonus Rs. 15000, HRA 3500 per month.

Rent paid by him for Rs. 6000 per month

Mr. Naresh HRA Calculation is as follows

Salary for HRA = basic pay + D.A

$$= 40,000 \times 12 + 86,400$$

$$= 4,80,000 + 86,400$$

$$= \underline{\underline{5,66,400}}$$

## HRA deductions

1. actual allowance received ( $\frac{3500}{6000} \times 12$ ) = 72,000

2. Rent paid - 10% Salary  
 $= 72,000 - 56640 = \underline{\underline{15360}}$

3. 50% of Salary  $[5,66,400 \times \frac{50}{100}] = \underline{\underline{2,83,200}}$

∴ HRA deductions is Rs. 15,360

2. Calculate HRA from the following

1. Basic Salary → 15,000 Rs per month.

2. Dearness allowance 5000 per month  
[given under the terms of employment]

3. HRA received 4000 per month.

4. Rent paid for the house 5000 per month.

Residing at Chennai.

Sol:

14/6/22  
2.

16/6/22

Sol!

Salary for HRA = basic Salary/pay + D.A [for benefits]

$$= 15000 \times 12 = 180000 + ~~60000~~$$

$$= 5000 \times 12 = 60,000$$

$$= 1,80,000 + 60,000 = \underline{2,40,000}$$

Least of following three

1. Actual allowance received =  $4000 \times 12$  ~~10% Salary~~  
= 48000 ~~24000~~

2. Rent paid - 10% Salary =  $5000 \times 12$  - 10% Salary  
=  $60,000$  -  $24,000$   
= 36,000

3. 50% of Salary [ $2,40,000 \times \frac{50}{100}$ ] = 1,20,000

HRA deduction for Sec 10(13A) = 36,000

3. 1. Basic pay - 20,000 per month
  2. D.A - 6000 per month
  3. HRA received 5000 per month
  4. Rent paid in Hyderabad - 7000 PM
- Calculate HRA deduction.

Sol!

Salary for HRA = basic pay ~~+ D.A~~

$$= 20,000 \times 12 + ~~6000 \times 12~~$$

$$= \underline{2,40,000} + ~~72,000~~$$

$$= \underline{3,12,000}$$

Least of following three

1. Actual allowance received =  $5000 \times 12$  = 60,000

2. Rent paid - 10% Salary =  $7000 \times 12$  -  $24,000$  =  $84,000$  -  $24,000$

$$= \underline{60,000}$$

3. 50% of Salary ( $3,12,000 \times \frac{50}{100}$ ) = 1,56,000

HRA deduction for Sec 10(13A) = ~~60,000~~ 60,000

## ENTERTAINMENT ALLOWANCE See 16(ii)

This allowance is paid by the employer to the employee's entertainment. This allowance is exempted for government employees only. No deduction is allowed for private employees.

Entertainment Allowance (for govt employees) is calculated as follows:-

- Least of following:
1. Actual Allowance received      XXX
  2. 20% of salary                      XXX
  3. Maximum limit                      5000

Salary = basic salary only

① Mr. Navem is an employee of govt. of india

Basic Salary - 25000 p.m

D.A - 1000 p.m

entertainment allowance - 700 p.m

Calculate entertainment allowance deduction.

Sol<sup>n</sup> Mr. Navem is government employee so entertainment allowance deduction is allowed.

$$\text{Salary} = 25000 \times 12 = \underline{\underline{300000}}$$

(Basic Salary only)

Least of the following

1. Actual Allowance received =  $700 \times 12 = \underline{\underline{8400}}$
2. 20% of salary  $(3,00,000 \times \frac{20}{100}) = \underline{\underline{60,000}}$
3. maximum limit = 5000

∴ Deduction u/s 16(ii) = 5000

# PROFORMA

Computation of income from Salaries for the Assessment Year 2022-2023

Particulars	Rs	Amount Rs.
<b><u>SALARY:</u></b>		
Basic pay/Basic Salary		x x x
Bonus		x x x
Commission		x x x
RPF Contribution paid paid by the employer exempted by 12%	x x x	
(-) 12% of Salary	x x x	x x x
Interest on R.P.F	x x x	
(-) 9.5% of interest	x x x	x x x
<b><u>ALLOWANCES:</u></b>		
House rent allowance	x x x	
<u>Less:</u> Deduction $\frac{1}{3}$ 10 (13A)	x x x	x x x
Entertainment allowance		x x x
Children education allowance	x x x	
(-) Deduction $(2 \times 100 \times 12)$	2400	x x x
City Compensatory Allowance		x x x
Medical Allowance		x x x
Uniform Allowance		x x x
<b><u>PERQUISITES</u></b>		
Motor Car		x x x
Gross Salary	—————→	x x x
(-) Deduction $\frac{1}{3}$ 16(ii)		
1. standard deduction	x x x	
2. Entertainment allowance	x x x	
3. professional Tax	x x x	x x x
Taxable Income from Salary		x x x

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1. Mr. Madhav is working as marketing assistant in Bangalore his salary details are as follows:

Basic Salary Rs. 15000 p.m  
 Dearness Allowance Rs. 5000 p.m  
 Dearness pay Rs. 2000 p.m  
 Commission Rs. 45000 p.A

entertainment allowance Rs. 700 p.A  
 (6000 Rs spent on entertainment during year)

House rent allowance Rs. 7500 p.m

Rent paid by him Rs. 9000 p.m

Compute taxable salary for assessment year 2022-2023

Sol<sup>n</sup>

Computation of salary income of madhav for A.Y. 2022-2023.

Particulars	Rs	Amount
Basic Salary (15000 x 12)		1,80,000
Dearness allowance (5000 x 12)		60,000
Dearness pay (2000 x 12)		24,000
Commission		45,000
Entertainment allowance (700 x 12)		8400
HRA (7500 x 12)	90,000	
<u>Less</u> :- Deductions u/s 10 (13A)	72,000	18,000
Gross Salary		3,35,400
<u>Less</u> :- Deductions u/s 16		
Standard deduction 16(i)		50,000
Taxable income from Salary		2,85,400

working Notes:

① entertainment Allowance: No deduction is allowed due to non-govt employee

② HRA :- place: Bangalore (Bangalore)

Least of the following :-

- |  | Rs              |
|--|-----------------|
| 1. Actual Allowance received   | 90,000          |
| 2. Rent paid - 10% Salary<br>$[1,08,000 - 1,80,000 \times \frac{10}{100}] = 1,08,000 - 18,000$ | = 90,000        |
| 3. 40% of Salary<br>$= 1,80,000 \times \frac{40}{100}$   | = <u>72,000</u> |
| HRA deduction  | <u>72,000</u>   |

② Mrs. Kalpana an employ of Central Govt in Mysore  
 Compute her Salary income for the A.Y. 2022-2023.

Basic Salary 40,000 P.M

D.A 30% of basic Salary (60% enters into all retirement benefits)

HRA Rs. 3500 pm

Annual bonus Rs. 15,000

entertainment Allowance Rs. 15,000

Rent paid by Kalpana Rs. 72,000 P.A.

Sol. Computation of Salary income of Mrs. Kalpana for A.Y. 2022-2023.

Particulars	Rs	Rs
Basic Salary (40000 × 12)		4,80,000
Annual bonus		15,000
<u>Allowances:</u>		
House Rent Allowance (3500 × 12)	42,000	
<u>Less: Deduction u/s 10 [13A]</u>	15,360	26,640
Dearness allowance (30% × 4,80,000)		1,44,000
entertainment allowance	15,000	15,000
<u>Gross Salary</u>		6,80,640
<u>Less: Deductions u/s 16</u>		
Standard deduction 16(i)	50,000	
Entertainment Allowance 16(ii)	5000	55,000
<u>Taxable Income from Salary</u>		6,25,640

Working notes :-

Salary for HRA

= Basic Salary + D.A

$$= 4,80,000 + [4,80,000 \times 30\%]$$

$$= 4,80,000 \quad 1,44,000 \times 60\%$$

86400

5,66,400

Least of the following

① Actual Allowance received

Rs  
42,000

② Rent paid - 10% Salary

$$72000 - 56640$$

$$= 15,360$$

③ 40% of Salary

$$566400 \times 40\%$$

$$= 2,26,560$$

HRA deduction 15,360

Entertainment Allowance :- govt employ

Least of the following

① Actual Allowance received

Rs  
15000

② 20% of Salary

$$4,80,000 \times 20\%$$

96000

③ max limit

5000

③ Mr. Ramesh a production manager of a company in Chennai. The particulars of his salary income are as under.

Basic Salary 15000 p.m.

Dearness Allowance 5000 p.m.

(Under terms of employment entertainment allowance 1000,

medical allowance 500 p.m.

HRA 4000 p.m.

Rent paid 5000 p.m.

Car of 1.2 Ltr Capacity provided by employer for private and legal use.

Employer meets expenses of car.

He and his employer (each) contribute 15% of salary to RPF.

Compute income under the head Salary

Computation of income from salary of Mr. Ramesh for the A.Y. 2022-2023

Ans:

Particulars	Rs.	Rs.
Basic Salary (15000 × 12)		1,80,000
Employer Contribution to RPF	36,000	
<u>Less:- 12% of Salary</u>	28,800	7,200
<u>ALLOWANCES:-</u>		
Entertainment Allowance (1000 × 12)		12,000
HRA (4000 × 12)	48,000	
<u>Less:- Deduction u/s 10(13A)</u>	36,000	12,000
DA (5000 × 12)		60,000
Medical allowance (500 × 12)		6,000
<u>Perquisites:-</u>		
Motor Car (18000 × 12)		21,600
<u>Gross Salary</u>		2,98,800
<u>Less:- Deduction u/s 16</u> Standard deduction (161)		50,000
<u>Taxable income from Salary</u>		2,48,800

Working!

① R.P.F

$$\begin{aligned} \text{Salary} &= \text{Basic Salary/pay} + \text{D.A} \\ &= 1,80,000 + 60,000 \\ &= 2,40,000 \times \frac{15}{100} \quad \Bigg| \quad = 2,40,000 \times \frac{12}{100} \\ &= \underline{36,000} \quad \Bigg| \quad = \underline{28,800} \end{aligned}$$

② Entertainment Allowance :-  
No deduction due to Non-Govt employee.

③ HRA :-

$$\begin{aligned} \text{Salary} &= \text{Basic pay} + \text{D.A} \\ &= 1,80,000 + 60,000 \\ &= 2,40,000 \end{aligned}$$

Place - Chennai

Least of following

① Actual Allowance received  $\longrightarrow$  Rs 48,000

② Rent paid - 10% Salary  
(5000 x 12) (240,000 x  $\frac{10}{100}$ ) = 60,000 - 24,000  
= 36,000

③ 50% of Salary  
 $2,40,000 \times \frac{50}{100}$  = 1,20,000

HRA deduction = 36,000

④ Smt. padma is working as a Lecturer, Her salary details are as follows:

BASIC PAY 18000 p.m

D.A 5000 p.m

HRA 3500 p.m

(She is living in her own house)

Entertainment allowance 1000 p.m

City Compensatory Allowance (CCA) 1500 p.m

professional Tax paid by her Rs. 1,75 p.m

compute income and salary. If she is working in a govt college?

Ans:

Computation of income from salary of Smt. padma for AY 2022-2023

particulars	Rs	Rs
<u>SALARY:</u>		
Basic pay (18,000 x 12)		2,16,000
<u>Allowances:</u>		
D.A (5000 x 12)		60,000
HRA (3500 x 12)		42,000
City Compensatory Allowance (1500 x 12)		18,000
Entertainment Allowance (1000 x 12)		12,000
gross salary		3,48,000
<u>Less: Deduction U/s 16</u>		
Standard deduction 16(i)	50,000	
entertainment allowance	5000	
professional Tax (175 x 12)	2100	
Taxable income from salary		2,90,900

Working:-

HRA:- No deduction is allowed  
she is living in her own house.

E. A:-

padma is a Govt employee

Salary = Basic pay = 2,16,000

Least of the following

	<u>Rs</u>
① Actual Allowance received	12,000
② 20% of Salary ( $2,16,000 \times \frac{20}{100}$ )	43,200
③ Max limit	5000

22/6/22 Rent Free Accommodation for Non-govt employees

1. population exceeding

25 lakhs as per 2001 Censes → 15% of Salary  
+ 10% of furniture cost

2. population exceeding

10 lakhs but not exceeding  
25 lakhs } → 10% of Salary  
+ 10% of furniture cost

3. other places

→ 7.5% of Salary  
+ 10% of Cost of furniture cost.

Salary for R.F.A

= Basic Salary + D.A (entire)  
+ Commission  
+ All Allowances

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 5) Mr. Suman is an employee in Bangalore his particulars of income are as follows:-

Basic Salary Rs. 8000 p.m

D.A Rs. 2000 p.m

(40% enter into all retirement benefits)

bonus Rs. 4000 P.A

Commission Rs. 8500 P.A

entertainment Allowance Rs. 500 p.m

Fair rental value of rent free house provided by employer Rs. 40,000 P.A

Value of furniture provided Rs 20,000

Compute income from salary of Mr. Suman for A.Y 2022-2023.

Sol - Computation of income from salary of Mr. Suman for A.Y 2022-2023.

Particulars	Rs	Rs.
Basic Salary (8000 x 12)		96,000
Bonus		4000
Commission		8500
<u>Allowances</u> :-		
D.A (2000 x 12)		24000
E.A (500 x 12)		6000
<u>Perquisites</u> :-		
Value of rent free accommodation		20,615
Gross salary	→	1,59,115
<u>Less</u> :- Deduction u/s 16 Standard deduction		50,000
Taxable Salary	→	1,09,115

Working :-

City :- Bangalore

Population more than 25 Lakhs

Salary:

96000

4000

8500

9600

6000

(D.A 40%)

$24000 \times 40\%$  E.A

1,24,100

18615

2000

15%

(+) ( $20000 \times 10\%$ )

20615

⑥ Mr. Srinivas ~~transfer~~ Salary particulars are as follows  
Compute his salary income.

Salary Rs. 1,20,000

D.A (dearness) Rs. 40,000

Transport allowance 14,600

bonus 5000

Contribution to RPF Rs. 10,000

fair rental value Rs. 30,000

place: Chennai

population more than 25 lakhs

furniture cost Rs. 2,500

Computation of salary income of Mr. Srinivas for AY

Particulars	Rs.	Rs.
Basic Salary		1,20,000
Bonus		5000
Contribution to RPF	10,000	
<u>Less: 12% of Salary (<math>1,20,000 \times \frac{12}{100}</math>)</u>	<u>14,4000</u>	<u>—</u>
D.A		40000
Rent free accommodation		19000
<u>Gross Salary</u>		<u>1,84,000</u>
<u>deductions U/s 16</u>		
standard deduction U/s 16(i)		50,000
<u>Taxable Salary</u>		<u>1,34,000</u>

Working:

City: Chennai  
population more than 25 Lakhs

Salary: 1,20,000  
5000  

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1,25,000

15% of Salary  $(1,25,000 \times \frac{15}{100})$  18,750

10% of furniture  $(25,000 \times \frac{10}{100})$  2,500  

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19,000

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7) Compute taxable income in salary of Mr. Suresh for A.Y 2021-2023

Basic pay Rs. 40,000 p.m

D.A enters into retirement benefits Rs. 24,000 p.m

Commission on Sales 15,000 p.m

Bonus Rs. 65,000

HRA (Rent paid Rs. 10,600 p.m) Rs. 12,500

management contribution and own contribution to RPF  
15% of Salary.

professional tax paid Rs. 400 p.m

children education allowance Rs. 600 p.m per child  
for 2 children

Computation of salary income of Mr. Suresh for AY 2021-2023

Particulars	Rs	Rs
<u>SALARY</u>		
BASIC SALARY $(40,000 \times 12)$		4,80,000
Bonus		65,000
Commission $(15,000 \times 12)$		1,80,000
RPF Contribution by employee	72,000	72,000
Less: RPF Contribution in excess of 12% Salary	57,000	14,400
<u>ALLOWANCE</u>		
D.A $(24,000 \times 12)$		2,88,000
HRA $(12,500 \times 12)$	1,50,000	
Less: Deductions u/s 10 [3A]	32,400	
		<hr/> 1,17,600

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Children education allowance $600 \times 2 \times 12$	14400	
<u>Less</u> : Deductions $(100 \times 2 \times 12)$	2400	
Gross Salary		12000
<u>Less</u> : Deductions $\frac{4}{3} \text{ lb}$		1157000
Standard deduction 16(i)		50000
<u>Less</u> : professional Tax $(400 \times 12)$		11,07,000
		4,800
		11,02,200

working:

HRA

Salary: Basic pay + DA + Commission  
 $= 4,80,000 + 2,85,000 + 1,80,000$   
 $= 9,48,000$

① Actual allowance received  $\rightarrow 1,50,000$

② Rent paid - 10% Salary  
 $(10600 \times 12) \quad 94800 \quad \rightarrow 32400$   
 $(127200 - 94800)$

③ 40% of Salary  $3,79,200$   
 $948000 \times \frac{40}{100}$