Question: A non-resident Indian provides following information for the AY 2015-16:

		Rs.
a.	Rental Income from a property in India	15000 p.m.
b.	NRE Account Interest	25000
c.	NRO Account Interest	15000
d.	12% Debenture of Rs. 10 lacs, Interest Recd (Investment made in foreign currency)	120000
e.	Shares of XYZ Pvt. Ltd. : Dividend therefrom	200000
f.	Mutual Fund Investment of Rs. 12 lacs: Dividend	80000
g.	1000 Shares of ACC Purchases & Sold: Date of Purchase :25.1.2014 @ 500/Share & Date of Sale: 27.6.2014 @ 600/Share (Assume shares are sold through secondary market)	
h	80 C Investments	50000
i.	80 E Interest Payment	30000

Computation of Total Income of NRI for the AY 2015-16

S.No.	Particulars	Taxable or Not	Relevant Provisions	Special Rate/Normal Rate	Amount	Remark	
1	Rental Income	Yes	S 22 & 24	Normal Rate	126000	30% deduction provided u/s 24(a)	
2	NRE Account Interest	No	S 10(4)(ii)	-	-	Exempt hence not included in total income	
3	NRO Account Interset	Yes	56	Normal Rate	15000	Taxable but eligible for deduction u/s 80TTA	
4	Debenture Interest	Yes	115E	Special Rate 20%	120000	Chapter XII-A applicable but we will apply the provisions of S 115-I to see if it provided lower taxation.	
5	Dividend from XYZ Pvt. Ltd.	No	10(34)	-	-	Assuming that 115O already paid by Company	
6	Mutual Fund Dividend	No	10(35)	-	-	Nature of MF does not impact the exemption	
7	Short Term Capital Gain from ACC Ltd. Shares	Yes	111A	Special Rate 15%	100000	Since assessee is NRI the benefit of basic exemption limit from this income shall not be available.	
	Gross Total Income				**361000**		
	Less : Deductions under Chapter VI-A						
	S 80C				50000		
	S 80E				30000		
	S 80TTA				10000		
	Total Income				**271000**		
	Computation of Total Tax : While availing benefit of Chapter XII-A					**Computation of Total Tax : Without availing benefit of Chapter XII-A i.e. by exercising Section 115-I option**	
	Tax on Total Income at Special Rate :					**Tax on Total Income at Special Rate :**	
	a. Debenture Interest : 120000 * 20%				24000	STCG from ACC Ltd.: 100000 * 15%	15000
	b. STCG from ACC Ltd.: 100000 * 15%				15000		
	Tax on Total Income at Normal Rate:					**Tax on Total Income at Normal Rate:**	
	Since Normal Provision Total Income is only Rs. 51000 hence no tax at normal rate				0	Normal Rate Total Income including Debenture Interest is Rs. 1.71 lacs only thus NIL Tax	0
	Total Tax Payable				39000	**Total Tax Payable**	15000
	Add: Education Cess & SHEC				1170	Add: Education Cess & SHEC	450
	Final Tax Amount Payable by Assessee				**40170**	**Final Tax Amount Payable by Assessee**	**15450**

Since claiming benefit under section 115-I is more beneficial it may be assumed that assessee shall avail the benefit by claiming option in writing.

(Since the assessee is NRI he is not entitled to avail the benefit of Section 87A even).