

(GI-10, GI-11, VI-2(A) & AI-2(A), DI-1+2 & Drive)**DATE: 04.02.2024****MAXIMUM MARKS: 100****TIMING: 3¼ Hours****TAXATION****GENERAL INSTRUCTIONS TO CANDIDATES**

1. The question paper comprises two parts, Part I and Part II.
2. Part I comprises Multiple Choice Questions (MCQs).
3. Part II comprises questions which require descriptive type answers.
4. Ensure that you receive the question paper relating to both the parts. If you have not received both, bring it to the notice of the invigilator.
5. Answers to Questions in Part I are to be marked on the OMR answer sheet only. Answers to questions in Part II are to be written on the descriptive type answer book. Answers to MCQs, if written in the descriptive type answer book, will not be evaluated.
6. OMR answer sheet will be in English only for all candidates, including for Hindi medium candidates.
7. The bar coded sticker provided in the attendance register, is to be affixed only on the descriptive type answer book. No bar code sticker is to be affixed on the OMR answer sheet.
8. You will be allowed to leave the examination hall only after the conclusion of the exam. If you have completed the paper before time, remain in your seat till the conclusion of the exam.
9. Duration of the examination is 3 hours. You will be required to submit (a) Part I of the question paper containing MCQs, (b) OMR answer sheet thereon and (c) the answer book in respect of descriptive type answer book to the invigilator before leaving the exam hall, after the conclusion of the exam.
10. The invigilator will give you acknowledgement on Page 2 of the admit card, upon receipt of the above-mentioned items.
11. Candidate found copying or receiving or giving any help or defying instructions of the invigilators will be expelled from the examination and will also be liable for further punitive action.

PART – II

1. Section-A comprises questions 1-4. In Section-A, answer Question No. 1 which is compulsory and any 2 questions from question No. 2-4. All questions in Section-A relate to assessment year 2024-25, unless otherwise stated.
Section-B comprises questions 5-9. In Section-B, answer Question No. 5 which is compulsory and any 3 questions from question No. 6-9.
2. Working notes should form part of the answer.
3. Answers to the questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate has not opted for Hindi Medium, his/her answers in Hindi will not be evaluated.
4. All questions in Section B should be answered on the basis of position of GST law as amended by significant notifications / circulars issued upto 30th April, 2023.

SECTION – A

PART – I – MULTIPLE CHOICE QUESTIONS

TOTAL MARKS: 30 MARKS

Write the most appropriate answer to each of the following multiple choice questions by choosing one of the four options given, All questions are compulsory.

1. Mr. Ashish's total income comprises of long-term capital gains on sale of land Rs. 5 lakhs; short-term capital gains on sale of STT paid listed equity shares Rs. 2 lakhs; income from lottery Rs. 1 lakh and savings bank interest Rs. 30,000. He invests Rs. 1.50 lakhs in PPF. His tax liability for P.Y. 2023-24, assuming that he is a resident Indian of the age of 40 years and does not opt for the provisions of section 115BAC, is –
- (a) Rs. 1,64,800
 - (b) Rs. 1,66,400
 - (c) Rs. 1,14,400
 - (d) Rs. 1,13,300

(2 Marks)

2. Who among the following will qualify as non-resident for the previous year 2023-24?
- Mr. Bob, an Italian dancer, came on visit to India to explore Indian dance on 15.09.2023 and left on 25.12.2023. For past four years, he visited India for dance competition and stayed in India for 120 days each year.
 - Mr. Samrat born and settled in USA, visits India each year for 100 days to meet his parents and grandparents, born in India in 1946, living in Delhi. His Indian income is Rs. 15,20,000.
 - Mr. Joseph, an American scientist, left India to his home country for fixed employment there. He stayed in India for study and research in medicines from 01.01.2019 till 01.07.2023.

Choose the correct answer

- (a) Mr. Bob and Mr. Joseph
- (b) Mr. Samrat
- (c) Mr. Bob, Mr. Samrat and Mr. Joseph
- (d) None of the three

(2 Marks)

3. Mr. Harish is an interior decorator declaring profits under 44ADA in the P.Y. 2023-24 and the earlier previous years. Mr. Harish has to pay brokerage of Rs. 15 lakhs to Mr. Patel, a broker, to buy a residential house, and Rs. 50 lakhs to Mr. Suresh, a contractor for reconstruction of the residential house. Are TDS provisions attracted in the hands of Mr. Harish in respect of the above transactions?
- (a) No; TDS provisions are not attracted in the hands of Mr. Harish in respect of payments to Mr. Patel and Mr. Suresh
 - (b) Yes; Mr. Harish has to deduct tax from payment to Mr. Patel and Mr. Suresh
 - (c) Mr. Harish does not have to deduct tax on payment to Mr. Patel but has to deduct tax from payment to Mr. Suresh
 - (d) Mr. Harish does not have to deduct tax on payment to Mr. Suresh but has to deduct tax from payment to Mr. Patel

(2 Marks)

4. Mr. Akash is constructing a residential house property in Patna for self-occupation. He has taken a loan of Rs. 40 lakhs from SBI on 30.3.2023 for this purpose. He pays interest of Rs. 2.50 lakhs during the P.Y. 2023-24. He repays Rs. 1.50 lakhs towards principal on 31.3.2024. The construction is completed in May, 2024. The stamp duty value of the house is Rs. 46 lakhs. This is the only house property of Mr. Akash. For A.Y. 2024-25 -
- Mr. Akash is entitled for deduction of Rs. 2 lakhs under section 24 and Rs. 1.50 lakhs under section 80C
 - Mr. Akash is entitled for deduction of Rs. 2 lakhs under section 24, Rs. 50,000 under section 80EEA and Rs. 1.50 lakhs under section 80C
 - Mr. Akash is neither entitled for deduction under section 24 nor under section 80C. He is, however, entitled for deduction of Rs. 1.50 lakhs under section 80EEA
 - Mr. Akash is not entitled for deduction under section 24, section 80C and section 80EEA

(2 Marks)

5. Mr. Ajay is a recently qualified doctor. He joined a reputed hospital in Delhi on 01.01.2024. He earned total income of Rs. 3,40,000 till 31.03.2024. His employer advised him to claim rebate u/s 87A while filing return of income for A.Y. 2024-25. He approached his father, a tax professional, to enquire regarding what is rebate u/s 87A of the Act. What would have his father told him?
- An individual who is resident in India and whose total income does not exceed Rs. 5,00,000 is entitled to claim rebate under section 87A.
 - An individual who is resident in India and whose total income does not exceed Rs. 3,50,000 is entitled to claim rebate under section 87A.
 - Maximum rebate allowable under section 87A is Rs. 5,000.
 - Rebate under section 87A is available in the form of exemption from total income.
 - Maximum rebate allowable under section 87A is Rs. 12,500.
 - Rebate under section 87A is available in the form of deduction from basic tax liability.
- Choose the correct option from the following:
- (ii), (iii), (vi)
 - (i), (v), (vi)
 - (ii), (iii), (iv)
 - (i), (iv), (v)

(2 Marks)

6. Mr. Bandu, aged 37 years, provides the following details for P.Y. 2023-24:

Particulars	Rs. in lakhs
Textile business income	22
Speculative business loss	(4)
Textile business loss b/f from P.Y. 2020-21	(5)
Business income of spouse included in the income of Mr. Bandu as per section 64(1)(iv)	2
Deductions available under Chapter VI-A	3
TDS	1
TCS	0.5
Advance tax paid	1.3

What shall be the net tax payable/(refundable) as per regular provisions of the Income-tax Act, 1961 for A.Y. 2024-25 for Mr. Bandu? Ignore interest.

- (a) Rs. 24,200
- (b) (Rs. 1,00,600)
- (c) Rs. 2,11,400
- (d) Rs. 12,500

(2 Marks)

7. Mr. Ashutosh, aged 65 years and a resident in India, has a total income of Rs. 3,20,00,000, comprising long term capital gain taxable under section 112 of Rs. 57,00,000, long term capital gain taxable under section 112A of Rs. 65,00,000 and other income of Rs. 1,98,00,000. What would be his tax liability for A.Y. 2024-25. Assume that Mr. Ashutosh has not opted for the provisions of section 115BAC.

- (a) Rs. 90,05,880
- (b) Rs. 97,25,690
- (c) Rs. 97,34,400
- (d) Rs. 97,22,440

(2 Marks)

8. Mr. Ritvik has purchased his first house in Gwalior for self-occupation on 1.4.2023 for Rs. 45 lakhs (stamp duty value being the same) with bank loan sanctioned on 30.3.2022 and disbursed on 1.4.2022. He paid interest of Rs. 3.8 lakhs during the P.Y. 2023-24. What is the tax treatment of interest paid by him?

- (a) Interest of Rs. 2 lakhs allowable u/s 24
- (b) Interest of Rs. 2 lakhs allowable u/s 24 and Rs. 1.8 lakhs allowable u/s 80EEA
- (c) Interest of Rs. 2 lakhs allowable u/s 24 and Rs. 1.5 lakhs allowable u/s 80EEA
- (d) Interest of Rs. 1.5 lakhs allowable u/s 24 and Rs. 1.5 lakhs allowable u/s 80EEA

(1 Mark)

9. Which of the following activities shall be treated neither as supply of goods nor as supply of services?

- (i) Permanent transfer of business assets where input tax credit has been availed on such assets
 - (ii) Temporary transfer of intellectual property right
 - (iii) Transportation of the deceased
 - (iv) Services provided by an employee to the employer in the course of employment
- (a) (i) & (iii)
 - (b) (ii) & (iv)
 - (c) (i) & (ii)
 - (d) (iii) & (iv)

(1 Mark)

10. How is the aggregate turnover calculated for determining threshold limit for registration?

- (a) Aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis and inter-State supplies), exempt supplies and export of goods/services.
- (b) Aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, export of goods/services and inter-State supplies of a person computed for each State separately.

- (c) Aggregate value of all taxable intra-State supplies, export of goods/services and exempt supplies of a person having same PAN computed for each State separately.
- (d) Aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, export of goods/services and inter-State supplies of a person having same PAN computed on all India basis and excluding taxes if any charged under CGST Act, SGST Act and IGST Act.
- (1 Mark)**
11. Within how many days a person should apply for registration under GST, apart from provisions of voluntary registration?
- (a) Within 60 days from the date he becomes liable for registration.
- (b) Within 30 days from the date he becomes liable for registration.
- (c) No time limit
- (d) Within 90 days from the date he becomes liable for registration.
- (1 Mark)**
12. Kalim & Associates made an application for cancellation of GST registration in the month of March due to closure of its business. Its application for cancellation of GST registration was approved w.e.f. 4th September by the proper officer by passing an order for the same on 14th September. In the given case, Kalim & Associates is:
- (a) required to file Final Return on or before 4th December
- (b) not required to file Final Return
- (c) required to file Final Return on or before 30th September
- (d) required to file Final Return on or before 14th December
- (1 Mark)**
13. Which of the following activities is a supply of services?
- (i) Transfer of right in goods/ undivided share in goods without transfer of title in goods
- (ii) Transfer of title in goods
- (iii) Transfer of title in goods under an agreement which stipulates that property shall pass at a future date upon payment of full consideration as agreed.
- (a) (i)
- (b) (iii)
- (c) (i) and (iii)
- (d) (i), (ii) and (iii)
- (1 Mark)**
14. Discount given after the supply has been effected is deducted from the value of taxable supply, if –
- (i) such discount is given as per the agreement entered into at/or before the time of such supply
- (ii) such discount is linked to the relevant invoices
- (iii) proportionate input tax credit is reversed by the recipient of supply
- (a) (i)
- (b) (i) and (ii)
- (c) (ii) and (iii)
- (d) (i), (ii) and (iii)
- (1 Mark)**

15. Which of the following services received, in the course or furtherance of business, without consideration amount to supply?
- (i) Import of services by a person in India from his son well-settled in USA
 - (ii) Import of services by a person in India from his brother well- settled in Germany
 - (iii) Import of services by a person in India from his brother (wholly dependent on such person in India) in France
 - (iv) Import of services by a person in India from his daughter (wholly dependent on such person in India) in Russia
- (a) i, iii and iv
 - (b) ii, iii and iv
 - (c) ii and iii
 - (d) i and ii

(1 Mark)

16. The due date of filing Final Return is_____.
- (a) 20th of the next month
 - (b) 18th of the month succeeding the quarter
 - (c) within 3 months of the date of cancellation or date of order of cancellation, whichever is later
 - (d) 31st December of next financial year

(1 Mark)

17. Which of the following statements is true under GST law?
- (a) Grand-parents are never considered as related persons to their grand-son/grand-daughter
 - (b) Grand-parents are always considered as related persons to their grand-son/grand-daughter
 - (c) Grand-parents are considered as related persons to their grand- son/grand-daughter only if they are wholly dependent on their grand-son/grand-daughter
 - (d) Grand-parents are considered as related persons to their grand- son/grand-daughter only if they are not dependent on their grand-son/grand-daughter

(1 Mark)

18. Alcoholic liquor for human consumption is subjected to
- (a) State excise duty
 - (b) Central Sales Tax/Value Added Tax
 - (c) Both (a) and (b)
 - (d) GST

(1 Mark)

19. In case of supply of goods for Rs. 5,00,000, following information is provided-
Advance received on 1st April
Invoice issued on 15th April
Goods removed on 25th April
What is the time of supply of goods, where tax is payable under forward charge?
- (a) 1st April
 - (b) 15th April
 - (c) 25th April
 - (d) 30th April

(1 Mark)

20. Sham Ltd., located in Mumbai, is receiving legal services from a lawyer Mr. Gyan, registered under GST. The aggregate turnover of Sham Ltd. in the preceding financial year is Rs. 42 lakh. The information regarding date of payment, invoice etc. is as follows-

Invoice issued by Mr. Gyan on 15th April

Payment debited in the bank account of Sham Ltd. on 5th May

Date of payment entered in books of accounts of Sham Ltd.: 1st May

What is time of supply of services?

- (a) 1st May
- (b) 5th May
- (c) 15th June
- (d) 15th April

(1 Mark)

21. During the month of May, Z Ltd. sold goods to Y Ltd. for Rs. 2,55,000 and charged GST @ 18%. However, owing to some defect in the goods, Y Ltd. returned some of the goods by issuing debit note of Rs. 40,000 in the same month. Z Ltd. records the return of goods by issuing a credit note of Rs. 40,000 plus GST in the same month. In this situation, GST liability of Z Ltd. for the month of May will be-

- (a) Rs. 45,900
- (b) Rs. 38,700
- (c) Rs. 53,100
- (d) Rs. 40,000

(1 Mark)

22. ABC Ltd. generated e-way bill on 12th February at 14.00 hrs. It transported over-dimensional cargo for a distance of 100 km. The validity period of the e-way bill will expire on _____ if there is no extension of the same.

- (a) Midnight of 13th - 14th February
- (b) Midnight of 17th - 18th February
- (c) At 14.00 hrs. of 13th February
- (d) At 14.00 hrs. of 14th February

(1 Mark)

23. Ram, an individual, based in Gujarat, is in employment and earning Rs. 10 lakh as salary. He is also providing intra-State consultancy services to different organizations on growth and expansion of business. His turnover from the supply of such services is Rs. 12 lakh. Determine whether Ram is liable for taking registration as per provisions of the Act?

- (a) Yes, as his aggregate turnover is more than Rs. 20 lakh.
- (b) No, as his aggregate turnover is less than Rs. 40 lakh.
- (c) No, as services in the course of employment does not constitute supply and therefore, aggregate turnover is less than Rs. 20 lakh.
- (d) Yes, since he is engaged in taxable supply of services.

(1 Mark)

SECTION – A**PART – II - DESCRIPTIVE QUESTIONS****QUESTIONS NO. 1 IS COMPULSORY****ATTEMPT ANY TWO QUESTIONS THE REMAINING THREE QUESTIONS****TOTAL MARKS: 35 MARKS****Question 1:**

Mr. Anmol (aged 67 years), a manufacturer, reported a profit of Rs. 3,95,11,290 for the previous year 2023-24 after debiting/crediting the following items:

Debits:

- (a) Rs. 15,000 paid to a Gurudwara registered u/s 80G of the Income-tax Act, in cash where no cheques are accepted.
- (b) Rs. 35,500 contributed to an university approved and notified u/s 35(1)(ii) to be used for scientific research.
- (c) Interest paid Rs. 1,75,000 on loan taken for purchase of E-vehicle on 15-07-2021 from a bank. The E-vehicle was purchased for the personal use of his wife.
- (d) He has purchased timber under a forest lease of Rs. 25,00,000 for the purpose of business.

Credits:

- (i) Income of Rs. 3,50,000 from royalty on patent registered under the Patent Act received from different resident clients. No TDS was needed to be deducted by any of the clients.
- (ii) He received Rs. 3,00,000 from a debtor which was written off as bad in the year 2019-20. Amount due from the debtor (which was written off as bad) was Rs. 4,00,000, out of which tax officer had only allowed Rs. 2,50,000 as deduction in computing the total income for assessment year 2020-21.
- (iii) He sold some goods to his brother for Rs. 6,00,000. The fair market value of such goods was Rs. 9,00,000.

Other information:

1. Depreciation in books of accounts is computed by applying the rates prescribed under the Income tax laws.
2. Mr. Anmol purchased a new car of Rs. 14,00,000 on 1st August, 2023 and the same was put to use in the business on the same day. No depreciation for the same has been taken on car in the books of account.
3. Mr. Anmol had sold a house on 25th March, 2023 and deposited the long term capital gains of Rs. 20,00,000 in capital gain account scheme by the due date of filing return of income for that year. On 11th March, 2024, he sold another house property in which he resided for Rs. 1 crore. He earned a long term capital gain of Rs. 55,00,000 on sale of this property. On 25th March, 2024, he withdrew money out of his capital gain account and invested Rs. 1 crore on construction of one house.
4. Mr. Anmol also made the following payments during the previous year 2023-24
 - Lump-sum premium of Rs. 1,20,000 paid on 30th March, 2024 for the medical policy taken for self and spouse. The policy shall be effective for five years i.e. from 30 th March, 2024 to 29th March, 2029.
 - Rs. 8,000 paid in cash for preventive health check-up of self and spouse.

Compute the total income and tax payable by Mr. Anmol for the assessment year 2024-25 assuming he does not opt for section 115BAC.

(11 Marks)**Question 2:**

- (a) Examine the tax implications of the following transactions for the assessment year 2024-25: (Give brief reason)

- (i) Mr. Akash, an Indian citizen, is a non-resident in India for the previous year 2023-24. He has been appointed by the Government of India as an ambassador in Japan. He received salary of Rs. 7,50,000 and allowances of Rs. 2,40,000 during the previous year 2023-24 for rendering his services in Japan.
- (ii) Ms. Ahana, a non-resident in India, is engaged in operations which are confined to purchase of goods in India for the purpose of export. She has earned Rs. 3,50,000 during the previous year 2023-24.
- (iii) Mr. Sumit, a non-resident in India, has earned Rs. 4,00,000 as royalty for a patent right made available to Mr. Vikas who is also a non-resident. Mr. Vikas has utilized patent rights for development of a product in India and 50% royalty is received in India and 50% outside India.
- (iv) Mr. Jimmy, a NRI, borrowed Rs. 10,00,000 on 01.04.2023 from Mr. Naveen who is also a non-resident and invested such money in the shares of an Indian Company. Mr. Naveen has received interest @ 12% per annum.

(6 Marks)

- (b)** State in brief the applicability of tax deduction at source provisions, the rate and amount of tax deduction in the following cases for the financial year 2023-24 under the Income-tax Act, 1961. Assume that all payments are made to residents:

- (i) Sahil, a resident Indian individual, not deriving any income from business or profession makes payments of Rs. 10 lakh in January, 2024, Rs. 25 lakh in February, 2024 and Rs. 25 lakh in March, 2024 to Madan, a contractor for reconstruction of his residential house.
- (ii) XYZ Ltd. makes the payment of Rs. 2,00,000 to Ramesh, an individual transporter who owned 6 goods carriages throughout the previous year. He does not furnish his PAN.

(3 Marks)

- (c)** State any three conditions when a person is required to furnish Income-tax return in the prescribed form & manner on or before the due date even if such person (other than a company or a firm) is not otherwise required to furnish a return u/s 139(1).

(3 Marks)

Question 3:

- (a)** Mr. Sarthak entered into an agreement with Mr. Jaikumar to sell his residential house located at Kanpur on 16.08.2023 for Rs. 1,50,00,000.

The sale proceeds were to be paid in the following manner:

- (i) 20% through account payee bank draft on the date of agreement.
- (ii) 60% on the date of the possession of the property.
- (iii) Balance after the completion of the registration of the title to the property.

Mr. Jaikumar was handed over the possession of the property on 15.12.2023 and the registration process was completed on 14.01.2024. He paid the sale proceeds as per the sale agreement.

The value determined by the Stamp Duty Authority-

- (a) on 16.08.2023 was Rs. 1,70,00,000;
- (b) on 15.12.2023 was Rs. 1,71,00,000; and
- (c) on 14.01.2024 was Rs. 1,71,50,000.

Mr. Sarthak had acquired the residential house at Kanpur on 01.04.2001 for Rs. 30,00,000. After recovering the sale proceeds from Jaikumar, he purchased two residential house properties, one in Kanpur for Rs. 20,00,000 on 24.3.2024 and another in Delhi for Rs. 35,00,000 on 28.5.2024.

Compute the income chargeable under the head "Capital Gains" of Mr. Sarthak for the Assessment Year 2024-25.

Cost Inflation Index for Financial Year(s): 2001-02 - 100; 2023-24 - 348

(6 Marks)

- (b) Mr. Raju furnishes the following particulars for the previous year 2023-24 in respect of an industrial undertaking established in "Special Economic Zone" in March 2018. It began manufacturing in April 2016.

Particulars	(Rs.)
Total sales	1,70,00,000
Export sales [proceeds received in India]	90,00,000
Domestic sales	80,00,000
Profit from the above undertaking	40,00,000

Export Sales of F.Y. of 2023-24 include freight and insurance of Rs. 10 lakhs for delivery of goods outside India. Compute the amount of deduction available to Mr. Raju under section 10AA for A.Y. 2024-25.

(3 Marks)

- (c) Examine the following transactions in the context of Income-tax Act, 1961:
- (i) Mr. Koshi transferred 300 shares of Style Pvt Ltd. to Moksh Pvt. Ltd. on 10.9.2023 for Rs. 3,00,000 when the market price was Rs. 5,00,000. The indexed cost of acquisition of shares for Mr. Koshi was computed at Rs. 4,45,000. The transfer was not subjected to securities transaction tax. Determine the income chargeable to tax in the hands of Mr. Koshi and Moksh Pvt. Ltd. because of the above said transaction.
- (ii) Mr. Chetan is employed in a company with taxable salary income of Rs. 4,00,000. He received a cash gift of Rs. 1,00,000 from Help Charitable Trust (registered under section 12AB) in March 2024 for meeting his medical expenses. Is the cash gift so received from the trust chargeable to tax in the hands of Mr. Chetan?

(3 Marks)

Question 4:

- (a) Compute total income of Mr. Mihir for the assessment year 2024-25 from the following information furnished by him for the financial year 2023-24.

Particulars	Rs.
Salary income (computed)	4,70,000
Loss from self-occupied house property	2,00,000
Loss from let out house property	80,000
Loss from speculation business-X	90,000
Profit from speculation business-Y	80,000
Income from trading and manufacturing business @ 8%	5,50,000
Interest on PPF deposit	95,000
Long term capital gain on sale of Vacant site (Computed)	1,10,000
Short term capital loss on sale of Jewellery	1,90,000
Investment in tax saver deposit on 31-03-2024	50,000
Brought forward loss of business of assessment year 2020-21	7,50,000
Donation to a charitable trust recognized under section 12AB and approved under section 80G paid by cheque	1,10,000
Enhanced compensation received from government for compulsory acquisition of land (held for a period of 5 years) in the year 2014	4,00,000

(7 Marks)

(b) Mr. Raja gifted a sum of Rs. 8 lakhs to his brother’s minor son on 14-5-2023. On the same date, his brother gifted debentures worth Rs. 10 lakhs to Mrs. Raja. Son of Mr. Raja’s brother invested the amount in fixed deposit with SBI@ 9% p.a. interest and Mrs. Raja received interest of Rs. 81,000 on these debentures during the previous year 2023-24. Discuss the tax implications under the provisions of the Income-tax Act, 1961.

(3 Marks)

(c) An amount of Rs. 50,000 was paid to Mr. Rakesh on 1.9.2023 towards fees for professional services without deduction of tax at source. Subsequently, another payment of Rs. 60,000 was due to Mr. Rakesh on 31.1.2024, from which tax@10% (amounting to Rs. 11,000) on the entire amount of Rs. 1,10,000 was deducted. However, this tax of Rs. 11,000 was deposited only on 22.7.2024. Compute the interest chargeable under section 201(1A).

(2 Marks)

SECTION – B - DESCRIPTIVE QUESTIONS

QUESTION NO. 5 IS COMPULSORY

ATTEMPT ANY THREE QUESTIONS OUT OF REMAINING FOUR QUESTIONS.

TOTAL MARKS: 35 MARKS

Question 5:

Sreshth Pvt. Ltd., a registered supplier of goods and services in Kolkata, has furnished the following information for the month of February:

S. No.	Particulars	Amount (Rs.)
(i)	Intra-State supply of taxable goods	4,00,000
(ii)	Purchase of goods destroyed due to fire before being put into the production process (It is an intra-State transaction)	5,50,000
(iii)	Services provided to a foreign diplomatic mission located in India (It is an intra-State transaction)	1,00,000
(iv)	Intra-State purchase of food items for being served to the customers, free of cost. (It is an intra-State transaction)	1,75,000
(v)	Goods transport services received from a GTA. GST is not registered (It is an inter-State transaction)	2,00,000
(vi)	Inter-State services provided to Dhruv Ltd. in respect of a business exhibition held in Delhi	10,000
(vii)	Inter-State security services provided to Torrent Higher Secondary School (unregistered under GST) for their annual day function organised in Katyani Auditorium outside the School campus	15,000
(vii)	Inputs to be received in 3 lots, out of which 2nd lot was received during the month	40,000

The company has following balances of ITC with it at the beginning of the tax period:

Particulars	Amount (Rs.)
CGST	57,000
SGST	Nil
IGST	50,000

Note:

- (i) Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively unless otherwise mentioned.
 - (ii) Both inward and outward supplies are exclusive of taxes, wherever applicable.
 - (iii) All the conditions necessary for availing the ITC have been fulfilled.
 - (iv) The turnover of Sreshth Pvt. Ltd. was Rs. 2.5 crore in the previous financial year.
- Compute the minimum GST, payable in cash, by Sreshth Pvt. Ltd. for the month of February. Make suitable assumptions as required.

(8 Marks)

Question 6:

- (a) Determine the GST payable @ 18% with respect to each of the following independent services provided by the registered persons:

Particulars	Gross amount charged (Rs.)
Fees charged for 'Swasthya Yoga Camp' conducted by Chandra Prakash Charitable Trust, registered under section 12AB of the Income-tax Act, 1961	98,000
Amount charged by business correspondent from Wealthy Banking Company for the services provided to the rural branch of a bank with respect to Savings Bank Accounts	1,00,000
Amount charged by cord blood bank for preservation of stem cells	5,00,000
Amount charged for service provided by selectors to a recognized sports body	5,20,000

(5 Marks)

- (b) Examine given cases and determine the persons liable to pay tax in each of the following independent cases:

- (i) Dharam Shastri, an independent director of Universe Pvt. Ltd., has received sitting fee amounting to Rs. 1 lakh from Universe Pvt. Ltd. for attending the Board meetings.
- (ii) Chandan Associates provided sponsorship services to Virat Cricket Academy, an LLP.
- (iii) Legal Fees is received by Gaba, an advocate, from M/s. Naveen Consultants having turnover of Rs. 50 lakh in preceding financial year.

(4 Marks)

Question 7:

- (a) Madhav Oils, Delhi has supplied machine oil and high-speed diesel in the month of April as per the details given in table below. Madhav Oils is not yet registered.

Sl. No.	Particulars	Amount (Rs.)*
(i)	Supply of machine oil in Delhi	15,00,000
(ii)	Supply of high-speed diesel in Delhi	10,00,000
(iii)	Supply of machine oil made in Punjab by Madhav Oils from its branch located in Punjab	10,00,000

*excluding GST

Determine whether Madhav Oils is liable for registration.

(6 Marks)

- (b) Rajul is a registered software consultant. On account of her ill health, she could not provide any services during the month of October. However, she had to incur all the expenses relating to her office. She paid Rs. 75,000 to various vendors. The total input tax involved on the goods and services procured by her is Rs. 13,500. Out of the total bills paid by her, one bill for Rs. 15,000 relates to security services availed for security of her office, tax on which is payable under reverse charge. Input tax involved in such bill is Rs. 2,700.
Rajul is of the opinion that for the month of October, no GST is payable from electronic cash ledger as she has sufficient balance of ITC for payment of GST under reverse charge on security services.
Do you think Rajul is right? Explain with reasons.

(3 Marks)

Question 8:

- (a) What would be the place of supply of services provided by an event management company for organizing a sporting event for a Sports Federation which is held in multiple States?
- (b) If a return has been filed, how can it be revised if some changes are required to be made?

(4 Marks)

(5 Marks)

Question 9:

- (a) X Ltd., a normal taxpayer, is winding up its business in Rajasthan. The Tax Consultant of X Ltd. has suggested that X Ltd. will have to file either the annual return or the final return at the time of voluntary cancellation of registration in the state of Rajasthan.
Do you agree with the stand taken by Tax Consultant of X Ltd.? Offer your comments.
- (b) There is no onus of filing any monthly & annual statements by ECO. Examine the technical veracity of the statement by explaining relevant provisions.
- (c) Mr. Harsh Manjula is engaged in the business of works contract services and request your guidance as to specific records required to be maintained by him under GST law, if any.

(3 Marks)

(3 Marks)

(3 Marks)

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