

22/03/24

Tax.

4

Part Section B : Goods & Services Tax.

Case Scenario 1

- 2.1. d] (i) & (ii). ✓
- 2.2 a) ~~£ 5000~~ 25000 ✓
- 2.3 d] 4<sup>th</sup> September ✓
- 2.4 d] 31<sup>st</sup> December of ~~the~~ next year ✓
- 2.5] ~~b~~ c] (ii) & (iv). ✓

2

General MCCA

- 1) a] ~~a~~ the principal place of business of such third person.
- 2) d] even if such import of services is without consideration ~~and it~~ may or may not be in the course of furtherance of business.
- 3) d] ~~a~~ Integrated Goods & Services Tax (IGST).
- 4) a] ~~a~~ the date of receipt of payments

2

(Q2) B) Shri Krishna Pvt Ltd a registered supplier.

(3) A

Particulars.	Amount.
i] price of the Goods Municipal tax.	1,00,000 2000
ii] Inspection charges Subsidy received from Shri Ram Trust.	1500 5
iii] Late fees for delayed payment inclusive of GST (Shri Balaram Pvt Ltd paid the late fees. However, these charges were ultimately waived by Shri Krishna Pvt & the amt was repaid	Nil.
iv]. Weighment charges.	2000
Taxable supply made by Shri Krishna Pvt Ltd to Shri Balaram.	11,700

Particulars	Amount.
① Membership fees received from members. (is taxable value of cost) as it is not exempt from supply.	1,00,000
② Amount received for advancement of educational programmes relating to <del>Ad</del> Abandoned or orphaned or homeless children (It is exempt from GST as per in well-being of abandoned or orphaned is tax free).	Nil-

③ Amount received for renting of commercial property owned by Trust  
(It is not exempt as renting of commercial property doesn't lead to help for the institution).

₹ 10000

5

④ Amount received for counselling of terminally ill person  
(As it is exempt from GST because it is for the good cause)

Nil

⑤ Fees charged for yoga camp conducted by Trust  
(As yoga camp conduct is non taxable from GST).

Nil.

⑥ Amount received relating to preservation of forest & wildlife.  
(As receipt of amount is for good causes as it is exempt).

Nil.

Taxable amt Under GST.

₹ 10000

GST Amount = ₹ 10000 × 18%

₹ 27000



Q9. a)

i) ① Miss Pooja, an interior design consultant, having office at Chennai (Tamil Nadu), provided professional services to Nikh who resides in Dubai, for his two immovable properties under single contract.

The place of supply for both the contract will be different as one is located out of India.

3/2  
The place of supply for that property which is at Singapore will be Chennai & one which is located in India, the place of supply for that will be Swat (Gujarat).

ii) ② United Traders having a registered place of business at Bengaluru (Karnataka), imported instruments used in (sup treatment from London (UK) through Vizag (Andhra Pradesh).

As place of supply for the Business to Business, ~~matter~~ if the business is registered shall be the same.

As in this case, place of supply will be Bengaluru (Karnataka), here the import of instrument used in treatment from London still it is considered.

Highlight keywords of answers

b). Await Mr. X a supplier of goods, pay GST under regular scheme.  
The availments of ITC will be

- ITC from CGST will be first settled against tax liability of IGST & in any order & can be settled against CGST & SGST/UTGST.
- CGST first & ITC shall be first settled against CGST tax liability then IGST.
- SGST/UTGST shall be first settled against SGST/UTGST tax liability then IGST.



= ITC for IGST = 400

~~(-) ITC for~~

(-) Tax Liability of IGST (200)

200

(-) CGST

(80)

120,

(-) SGST/UTGST

(120)

Since sufficient balance of ITC of CGST is available for paying CGST liability and cross utilization of ITC of CGST and SGST is not allowed, it is beneficial to use ITC of IGST to pay SGST (after paying IGST liability) to minimize cash outflow.

(-) GST

Hence gst liability would be NIL

(-) Tax Liability

200,

SGST/UTGST = 500

(-) Tax Liability = (1300)

of SGST/UTGST

GST payable

800

QD) Saw of inter state of office stationery = 20000  
 purchase (inter state) I GST.  
 14000

b)

= 20000 - 14000  
 I GST = 6000  
 (+) office = 4000  
 stationery

0

Intra state supply =  $\frac{30000}{40000}$  (calculators)  
 10000 (diary)

more practice required

Tax liability = office

(Inter.)



b) As Comfortable (P) Ltd is registered under GST, in state of Odisha. As High-Fi-Infotech (P). Ltd is providing certain IT engineering service to comfortable (P) Ltd. of ₹ 11,00,000 on 28<sup>th</sup> October.

the part payment of ₹ 4,20,000 was made on 30<sup>th</sup> November.

As the company was unhappy with the service was part part balance payment was delayed.

As the balance payment of ₹ 6,80,000 was made next year, on 6<sup>th</sup> July.

So availability of Input tax credit of with comfortable (P) Ltd in respect of IT engineering service received by it from High-Fi Infotech (P) Ltd is of ₹ 4,20,000 in that year.

As High-Fi Infotech (P) Ltd was also delay in the next year.

So

In the given case, High-fi Infotech (P) Ltd. provides the service in the month of October and Comfortable (P) Ltd. receives the invoice in the month of November. Therefore, in view of the above provisions and assuming all other conditions required for availing ITC having been fulfilled, ITC of Rs. 1,98,000 (Rs. 11,00,000 x 18%) will be availed by Comfortable (P) Ltd in the month of November when it receives the invoice issued by High-fi Infotech (P) Ltd. However, proportionate ITC amounting to Rs. 1,33,932  $\Rightarrow$  [(Rs. 12,98,000 - Rs. 4,20,000)/118] x 18] will be added to the output tax liability of Comfortable (P) Ltd. as full payment has not been made within 180 days of issuance of the invoice, i.e. by 4<sup>th</sup> May of next year. ITC of Rs. 1,33,932 can, however, be availed again by Comfortable (P) Ltd. in the month of July next year when it makes the balance payment.

4

Don't lose money in MCQ section.

Section A : Income tax law

Q9. 1)

1.1. a) Resident & ordinarily resident

1.2. b) No, as it is considered to purchase of goods in India for further export & hence not an income deemed to accrue or arise in India.

2

1.3] a) Yes, long term capital gain of ₹ 6,51,744 is chargeable to tax, since income is deemed to accrue or arise in India & hence taxable in his hand though his NR.

ii)

1.4] b) Yes, such income is taxable as income from house property, since land is given on lease.

1.5] c) ₹ 2,87,350.

General MCQ.

b) Total income ₹ 1,00,000, less of ₹ 40,000 from house property.

2

2] a) 31<sup>st</sup> July, 2024 for both Mr. X & Mr. Y.

3] b) Resident but not ordinarily resident.

4] a) Income from both properties to be included in the hands of Mr. Arvind by virtue of sec 64.

Q10] a) Loss

4] a) Mr. Arind is the deemed owner of property gifted to Mr. Meena. Income from property gifted to Mrs. Seetha would be included in his hand by virtue of sec 64.



5] a) Lon from specified business under Sec 73A.

[Q4] a). Mr. Balaji

Legal status :- Individual,

Assessment year = 2024-2025

previous year = 2023-2024.

Particulars	₹	₹
• Basic salary. (5000 x 7)	35000	
(6000 x 5)	<u>30000</u>	65000
• Dearness Allowance @ 40%		<del>26000</del>
• Bonus. (for 11 month of October (5000 + 2000))		<del>7000</del>
• Contribution of employer to Recognized provident fund (16% - 12%) = 4%		26000
• Facility of Laptop & Computer. 4000 + 3000 = 8000		10667
Rate of dep = (40% x 4/12)		
• Motor Car. Owned by employer, provided to employee. expenses incurred (-) perquisite. (900 x 5)	45000	45000
• Leave Travel concession	<u>(4500)</u>	
• Salary Income.		4057167
<u>Tax Liability</u>		
upto 25000 - Nil		
25000 - 50000 - 5%	12500	
50000 - 100000 - 20%	10000	
above 100000 - 30%	17150	
	<u>129650</u>	
(+) Health & Edu Lon	5186	134836

Not a taxable perquisite

Solve  
mine  
Solve

Q2] b) Mrs. Hetal, an Individual engaged in the business of Beauty parlour, has got her books of accounts for the financial year ended on 31st March 2023 audited u/s 44AB. As Hetal's total income of the year is 2,90,000.

A, per the sec. 44AB, Hetal is not required to audit her books of accounts if her total income is less than prescribed in the section 44AB.

She is allowed to audit her financial statements voluntarily as she wanted, but if she is auditing her books for the purpose of the section, should be followed.

A, Tax Return preparer can be any person like accountant, chartered accountant.

A, Mrs. Hetal can ~~audit~~ furnish her Return of Income through a Tax Return preparer as her total income is less.

**Mrs. Hetal whose accounts are subject to tax audit u/s 44AB, cannot furnish her Return of Income for Assessment Year 2024-2025 through a Tax Return Preparer.**

Q2] b]. Long term capital Gain -

Mr. Bara furnishes the  
Computation of Gross Total Income.

Particulars	₹	₹
Income from salary.		1,00,000
(-) Income & loss from loss property [Inter head adjustment] as per sec 71 of Income tax Act		(40,000)
		<u>60,000</u>
Income from activity of owning & maintaining Race Horses)	15,000	
(-) loss from activity of owning & maintaining Race horse.	(25,000)	
		<u>10,000</u>
Carry forward for 4 years		10,000
Income from Business of Textile	50,000	
(-) loss from Business of Textile	(60,000)	
Cannot be carried forward as it has been 8th year.		<del>10,000</del>
Long term capital Gain	30,000	
(-) Long term capital loss	(10,000)	
loss will be carried forward for 8 years.		(70,000)
loss from speculative Business (carry forward)		(60,000)
Short term capital Gain		1,40,000
		<u>2,00,000</u>
Total Income		

5  
Not  
written



Q7]. Computation of ~~the~~ Gross Total Income & Tax Liability.

§ Legal Status - Mr. Raju.  
 Previous year - 2023-24.  
 Assessment year - 2024-25

<del>Q</del> Particulars	₹	₹
Net profit as per books		15,40,000
<u>Add</u> : <u>Expenses credited but not allowed</u>		!

incomplete solution