

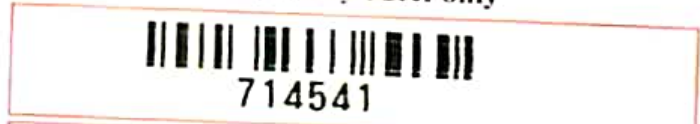
Paper No. 4 Section No. A

Subject Taxation

Number of Answer Books used : Main + additional sheets

Date Seal 10 MAY 2023

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A



Paper Code	L	A	B	C	D	E	F	G	H	I	J	K	●	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	
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03

03

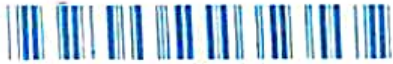


Section - A(1) Ans 1
Calculation of Total Income and Tax Payable
Ans 1

Particulars	Debit	2
Income under head Profession		
Income excess over expenditure	36,97,500	
+ Employee Remuneration (clubbing provisions applied as his wife doesn't have any qualification)	3,00,000	
+ Rent and Taxes (Municipal Taxes)	5,000 10,000	
+ Interest expense	80,000	
+ Office Rent	2,40,000	
+ Insurance Premium	72,000	
+ Professional fees to Ramesh	30,000	
+ Depreciation on computer	40,000	
- Interest on savings bank	(25,000)	
- Winnings from lottery	(99,500)	
- Rent Received	(2,40,000)	61,00,000

2.5

1 Step 2



04



Income under House Property, Unit - I (Let out property)			
Gross Annual Value ($20,000 \times 12$)		2,40,000	
(-) Municipal Tax ($10,000 \times 50\%$)		(50,000)	
Net Annual Value		2,35,000	
u/s 24 (a) (30% deduction)		(70,500)	
u/s 24 (b) Interest on borrowed capital ($80,000 \times 50\%$)		(40,000)	
			1,24,500
Unit-2 (Self occupied property)			
Gross Annual Value		-	
(-) Municipal Tax		-	
Net Annual Value		-	
u/s 24 (b) Interest on borrowed capital ($80,000 \times 50\%$)		(40,000)	(40,000)
			84,500
2.5 R 1 Step 1	Loss of house property, of unit - 2 is set off from unit - 1.		



Income Tax

05



Income from other sources
 Interest on Saving A/c
 Winnings from lottery
 (No expense allowed under such income)

25,000
 1,00,000

1,25,000

3.5 **R**
1Step3

Gross Total Income

43,000

U/S 80D
 Medical health insurance premium

18,000

U/S 80E
 Interest on education loan

40,000

U/S TTA
 Interest on saving A/c

10,000

68,000

1.5 **R**
1Step4

Total Income

42,410

Tax on 1,00,000 U/S 115BB
 Lottery income

30,000

Tax on balance (42,41,500)

10,750

+

11,05,950

(+) H.E.C

4423

Gross Tax Liability

11,50,180

(-) TDS on Winnings from lottery

30,000

Tax Payable

11,20,180

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06



Notes

1) Gross Annual Value to be calculated as Municipal Valuation or Fair Rent whichever is higher and standard rent whichever is lower i.e. ₹ 4,00,000 p.a.

2) U/S 80D Insurance for 3 years.
Hence allowable is $\frac{72,000}{4} = 18,000$.

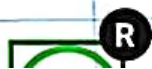
3) U/S 40 (vi) Payment to a resident without deducting TDS. Hence only 70% expenditure allowed. Further he is liable to deduct TDS.

4) Depreciation
New Laptops = ₹ 1,60,000

Printers and scanners = $\frac{40,000}{2,00,000}$

Applicable depreciation rate is 40%.
Hence Rs 80,000 is allowed.

5) No expenditure is allowed for winning from lottery.





Q. 3 (a)

07
[Ans 3(a)]

3 (a) Computation of Total Income

Profit from operation of hospital facility	90
(-) Capital expenditures excluding land	(50)
Profit from operation	40
Profit of unit located in SEZ	36

(-) Exemption

Profit of unit × $\frac{\text{Export sales of unit}}{\text{Total sales}}$ = (27)

1 **R**
3aStep1

$$36 \times \frac{75}{100} = 27$$

(Five years has not been elapsed from commencement so 100% allowed)

Gross Total income	49
(-) U/S 10AA Deduction	(27)
Total Income	22
Tax on (49,00,000)	12,82,5
+ 4% MFL	51,30
Tax Payable	13,33,8

X

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08



Tax as per AMT

Income as per normal provision		49,00,000
(+) U/S 10 AA		27,00,000
(+) U/S 35AD	50,00,000	
(-) Depreciation on such building (10%)	(5,00,000)	45,00,000
Total Income		1,21,00,000

Tax payable
 $1,21,00,000 \times (18.5\% + 15\% + 4\%)$
 = 26,77,250 Rs

Surcharge H&E

Tax Payable	
Normal Provision	13,33,800
OR	
AMT	26,77,250
whichever is higher	26,77,250

2.5

3a Step 2

AMT credits of Rs 13,43,450 (26,77,250 - 13,33,800)

Note

- Cost of land would not be considered as an expense under section 35AD.

3.5

3a



09
Ans 3 (b)

3 (b) Taxable Salary of Rohan

Basic Salary (25000 x 12)		3,00,000
Dearness Allowance (50%) (Not part of salary)		1,50,000
Gratuity		7,50,000
(-) exemption Actual 7,50,000		
Adhoc 20,00,000		
$\frac{15}{26} \times 37,500 \times 28$	6,05,769	
Lower 6,05,769		(6,05,769)
Leave encashment		3,75,000
(-) exemption Actual 3,25,000		
Adhoc 3,00,000		
$10 \times 25,000$	2,50,000	
$\frac{210}{30} \times 25,000$	1,75,000	(1,75,000)
Gift from employer worth Rs 4500 is not taxable. Hence gift not less than Rs 5000 is taxable		—
Motor car (Personal purpose)		80,000
Cost of car (10%)		1,20,000
Salary of driver (10,000 x 12)		2,00,000
Gross Salary		9,44,231

7

R

3bStep1

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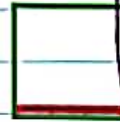


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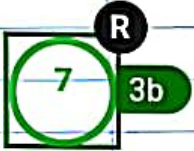
(-) U/S 16 (i)
Standard Deduction

Gross Salary



(50,000)

8,94,230



[PTD]



Notes

1) Unavailed leave

Gross year leave allowed \times No. of years served
 $30 \times 28 = 840$

(-) ~~availed~~ leave 630
 Unavailed leave 210

2) Motor car given for personal purpose
 one considered :-

Cost of car $\times 10\%$

Repairs and Maintenance (paid by emp)

Driver's Salary

(-) Recovery from employee

10.5
 R
 3

(PTD)



Ans 4 (a)

Calculation of Total Income

Particulars	Mrs. Chaman	Mrs. Manu	Mrs. Nisha
Salary Income	11,00,000		
(-) U/S 16 Standard deduction	(50,000)		
Income under head salary	10,50,000	—	—
Income under Profession Kathak performance	—	2,50,000	—
Long term capital Gain Sale of shares	—	5,50,000	—
Short term loss		(5,10,000)	—
Income from other source Quiz competition Savings A/c interest	3,500 5,000	—	3,56,000 3,56,000
Gross Total income	10,63,500	2,90,000	3,56,000
U/S ITA Interest on savings A/c	10,000		
Total Income	10,53,500	2,90,000	3,56,000



Notes

- 1) As the income is clubbed, the loss is also clubbed. Loss from share by Mr. Chaman clubbed in Mrs. Chaman income. Long term gain can be used against short term capital loss.
- 2) Rs 15,000 to be clubbed in the income of parents (of whose is higher) and u/s 10(32) deduction of Rs 1500 allowed.
- 3) Rs. 25,000 of Master Neelabh would be clubbed as he is suffering from u/s 80U disability. Further he is entitled to a deduction u/s 80C of 75,000 Rs. Hence his tax liability is nil.
- 4) Income of Mr. Chaman is higher than the Mrs. Chaman, so income on interest would be ~~also~~ clubbed in Mr. Chaman's income.

4.5

4aStep1

R

4.5

R



Ans 4 (b)

4 b)

1) Net Annual Value —
 u/s 24 (b) Interest on
 borrowed Capital (2,00,000)

Loss allowed under
 House Property

u/s 80 EEA
 SDV Value of property (~~45~~) ~~42,00,000~~
 Loan amount (~~45~~) 36,00,000

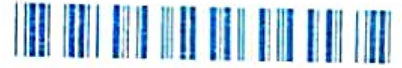
Hence he is ~~not~~ allowed to take
 a deduction of u/s 80 EEA subject
 to maximum of 1,50,000 Rs over
 and above u/s 24 (b).

Allowed = Rs

u/s 80C Repayment of loan (principal)

Total loss/deduction

House property	2,00,000
u/s 80 EEA	1,50,000
u/s 80C	1,25,000
Total	<u>4,75,000</u>



(iv) U/S 80 EEB
 Purchase of electric vehicle
 Deduction of amount Rs 1,50,000.

U/S 80 EEB
 Interest on loan for purchase
 of electric vehicle allowed 1,50,000

U/S 80 GGC Donation to a political
 by the person other than company.
 Allowed only if paid other than cash.
 Hence Rs 15,000 not allowed as paid
 in cash.

3.5 R
 4b Step 1

So total deductions / losses

House property loss	(2,00,000)
U/S 80 C	1,25,000
U/S 80 EEA	1,50,000
U/S 80 EEB	1,50,000

3.5 R
 4b

Total deduction = 4,25,000
 Total loss (ways) = 2,00,000
 (continued)

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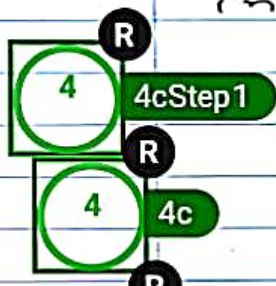
1 Ans 4 (c)

4 (c)

UIS 139(8A) @ A assessee is able to file updated return within 24 months from the end of relevant financial year. Further assessee file within 12 months, an additional liability of 25% is attract whereas within 24 months and later than 12 months, 50% additional liability attracted.

Circumstances where updated return cannot be filed :-

- 1) Loss Return Filed UIS 139(3)
- 2) Decrease in the tax liability of the assessee.
- 3) Results in refund of tax or increase of refund.

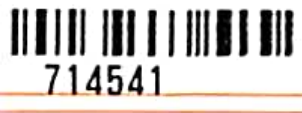




Subject : Taxation

Number of Answer Books used : Main + additional sheets

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Write answer on this slip only
Additional Answer Book and Graph Paper

10 MAY 2023

Q.No.	To be ticked (✓) by the candidate against the Questions answered	Marks Awarded (To be filled by Examiner)					Total
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AVOID RED PEN.
Write the marks in the boxes before shading the respective circles.

Total Marks awarded

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Total Marks awarded (in words) _____



03



Ans 5

Computation of total tax liability

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Particulars	CGST	SGST	TGST
Intra state Supply (i) Supply of air conditioner (Value of supply include freight, hence total value of supply is Rs. 5,00,000 and GST is applicable on such) (5,00,000 × 6%)	30,000	30,000	<input checked="" type="checkbox"/>
Intra state supply (Value of supply includes the additional supply made by supplier. Hence value of parts/spare component is added to the value of supply) (3,50,000 × 9%)	31,500	31,500	<input checked="" type="checkbox"/>
Intra state supply (U/S 9 A supply where the components are naturally bundled. The such supply is known as composite supply. In such case principal			<input type="checkbox"/>

5 Step 1

2



04



5Step2 X 0

(~~20,000~~ × 10) × 12%)

X

24000

Gross liability

61,500

61,500

24,000

Computation of Eligible ITC

CGST

SGST

IGST

ITC of FY 2021-2022

20,000

20,000

80,000

Air tickets for inter state travel

1000

1000

(As the assessee can claim

ITC earliest of

30 Nov of assessment year

09

{

}

Date of filing of annual return (whichever is earlier)

✓

Note - It is assumed that

annual return has not been

filed yet of FY 2021-22

Eligible ITC

~~20,000~~
21,000

~~20,000~~
21,000

80,000

Computation of Net tax liability

CGST

SGST

IGST

Gross liability

61,500

61,500

24,000

Less: ITC

IGST - 80,000

~~(61,500)~~
~~(26,000)~~
28,000

~~(61,500)~~

(24,000)

CGST - 20,000

~~(20,000)~~

(21,000)

SGST - 20,000

~~(20,000)~~

Net tax

— 27,000

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Note -

1) The I GST must be set-off against liability of I GST and then in any proportion to SGST and CGST.

2) Transportator of passenger where embarking or terminating is done under specified state including assam

is exempt for economy/ Fair.

Hence in such case business class air tickets ~~are~~ used which are taxable.

5Step4



2.5



Computation of ~~Gross~~ Net tax liability

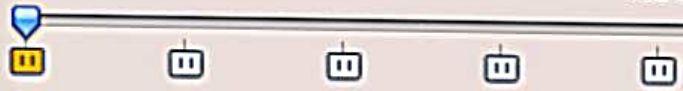
Particulars	I GST	SGST	I GST
Gross liability payable	61,500	61,500	24,000
ITL (-)			
I GST - 80,000	(40,500)	(15,500)	(24,000)
CGST - 21,000	(21,000)		
SGST - 21,000		(21,000)	
Net tax liability payable in cash	—	25,000	—

5Step3



0

SGST payable in cash — 25000 Rs

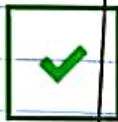


Ans 6 (a)

6 (a) Computation of Value of supply on which GST is payable
Particular

(i) Commission received as a recovery agent from NBFC.
(In such case NBFC is liable to pay tax under reverse charge mechanism)

2
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(ii) Actionable claims
(Actionable claims considered in definition of goods are not ~~not~~ a supply as considered in Schedule III. Except - gambling, betting. Hence in such business debtors are not treated as supply.)

—



6aStep1

2



(iii) Amount received from ABC Ltd 1,74,500
(Amount received in lieu of (i) music (ii) dance (iii) theatre)
assesse liable to pay GST if amount exceed Rs 1,50,000)



DO NOT WRITE ANYTHING HERE



07



<p>DO NOT WRITE ANYTHING HERE</p> <p>6a Step 2</p>	<p>(iv) Business assets given to a friend (No 7(i)(c) supply attracted, because the ITC on business assets ² is not be claimed.</p>	<p>—</p> <p><input checked="" type="checkbox"/></p>
<p>DO NOT WRITE ANYTHING HERE</p> <p>6a Step 3</p>	<p>(v) Consideration received for one month rent from a registered person. (No GST because the registered person is used it for residence)</p>	<p>—</p> <p><input checked="" type="checkbox"/></p>
<p>DO NOT WRITE ANYTHING HERE</p>	<p>Gross Paid to unregistered person for various consignments of transportation of goods by road. (Such transaction is exempt from GST as it is transportation of goods by GTA)</p>	<p>—</p> <p><input checked="" type="checkbox"/></p>
<p>DO NOT WRITE ANYTHING HERE</p> <p>6a</p>	<p>Gross value of supply, ⁵</p>	<p>1,74,500</p>

Ans 6(b)

6(b)

- (i) Room rent charged by Supaksha Hospital is exempt from GST provided that the rent is ~~less~~ upto Rs 5000 ~~or the room~~ per day or the room given on rent is ICU, ICCU, CCU.

6bStep1



Hence in this case room rent of Rs 7000 per day for 2 days is levy of tax.

- (ii) Services provided by the hospital of operation theatre is exempt.

- (iii) Doctor consultation charges and treatments including specialists doctor are exempt from GST.

- (iv) Services provided by a hospital to the person for a specific disease which are involuntary are exempt from GST.

6bStep2



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6b



2



09

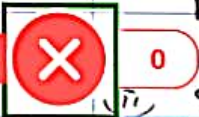


Ans 7 (a)

7 (a) As per section 49(8) of CGST Act the payment of tax is done in the following order:-

(i) tax would be adjusted firstly from previous months.

7aStep1



(ii) Secondly tax adjusted against the current period liability.

(iii) At last, the tax will be adjusted against the interest, penalty, etc.

So the order of discharge is:-

	Amount
1) Tax due for the month of May	25000
2) Tax due for the month in June	35000
3) Interest due for the month of May	2000
4) Penalty due for the month of June	3000
5) Liability arising out of demand u/s 73	48000

7aStep2



7aStep3



(P.T.O)

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T Ans 7(b)(ii)

7(b)(ii) For availing the benefit of ORMP scheme, assessee turnover should not exceed 5 crore.

7bStep1



Further a person who has not filed the previous returns cannot opt ORMP Scheme.



A person who wants to exercise option of ORMP scheme must apply from starting of 2nd month of preceding quarter and to the date of end of 1st month to the relevant quarter. Hence

Mr Sumit can opt ORMP scheme for April, May, June quarter. He apply from such, ~~from~~ starting of February ¹ the end of April.

7bStep2



Further the return of ORMP scheme 'filed' quarterly at the end of each quarter. So, he have to file return in June and pay tax monthly of succeeding month 25th day.



Ans 7 (b) (i)

2b) (i) ~~Valid~~ Invalid -
 These are certain circumstances where the E-way is required to be generated irrespective of the amount of Rs 50,000.

7b Step 3



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Goods transferred by principal to job workers and is required to issue e-way bill. It is compulsory irrespective of amount.



7b



3

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3.5

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