

Scanner Appendix

CS Executive Programme Group - II (2022 Syllabus) Solutions of June - 2024

Paper - 7 : Tax Laws and Practice

Chapter - 2 : Basic Concept of Income Tax

2024 - June [4A] [Or] (iii)

Determination of residential status of Mrs. Tina for the A.Y. 2025-26.

According to section 6(1), in order to be treated as a resident of India in the P.Y. 2024-25, Mrs. Tina should satisfy either of the following two conditions:

1. Her stay in India should be for a period of 182 days or more in the P.Y. 2024-25, or
2. Her stay in India should be for a period of 60 days or more in the P.Y. 2024-25 and for a period of 365 days or more in the four immediately preceding previous years.

Mrs. Tina's stay in India in the P.Y. 2024-25 was 91 days only (i.e., 31 days + 29 days + 31 days).

Her stay in India in the four immediately preceding previous years was 56 days.

Consequently, she does not satisfy either condition (1) or condition (2) for being treated as a resident.

According to section 6(1A) of the Income tax Act, 1961, an individual who is a citizen of India would be deemed to be a resident of India if his total income, other than income from foreign sources, exceeds ₹ 15 lakh during the relevant previous years and he is not liable to tax in any other country by reason of his domicile or residence or any other criteria of similar nature.

In the given problem, the friends of Mrs. Tina have presented her with cash gifts to the tune of ₹ 21,00,000, which is to be treated as Income from other sources. Hence, her Indian income exceeds 15 lakhs.

As Mrs. Tina is a citizen of India who is not liable to pay income-tax in Dubai and her total income, other than income from foreign sources, exceed 15 lakhs, she would be deemed resident in India under section 6(1A) of the Act for A.Y. 2025-26. A deemed resident is, by default, a resident but not ordinarily resident.

In case of a resident but not ordinarily resident, income accrues or arises, deemed to accrue or arise and received or deemed to be received in India, is taxable. In addition, Income which accrues or arises outside India would also be taxable if it is derived from a business controlled in or a profession set up in India.

The Finance Act, 2020, w.e.f. Assessment Year 2021-22 has amended the above exception to provide that the period of 60 days as mentioned in (2) above shall be substituted with 120 days, if an Indian citizen or a person of India origin whose Total Income, other than Income from Foreign Sources, exceed ` 15 lakh during the previous year.

The Finance Act, 2020 has also introduced new Section 1(1A) which is applicable from Assessment Year 2021-22. It provides that an Indian citizen earning Total Income in excess of ` 15 lakh (other than income from foreign sources) shall be deemed to be Resident in India if he/she is not liable to pay tax in any country.

Computation of total income of Mrs. Tina for A.Y. 2025-26

Particulars	Amount
Salary earned in Dubai does not form part of total income, since it accrues or arises outside India)	Nil
Income from other sources (Cash gifts received from friends)	21,00,000
Total Income	21,00,000

Chapter - 4 : Income Under the Head Salary**2024 - June [3] (c)**

Calculation of income chargeable under the head of Salary of Ramesh for A.Y. 2025-26

Particulars	Amount (₹)
Basic Salary (1,25,000 × 12)	15,00,000
Commission on Sales	40,000
Employer contribution to RPF in excess of 12% of Salary (3,00,000 - 12% of 15,40,000)	1,15,200
Employer contribution to NPS	1,00,000
Employer contribution to superannuation fund (not taxable as it does not exceed ₹ 75,000)	NIL
Interest on Housing Loan $\left(15,00,000 \times 10 \times \frac{3.5}{1,200} \right)$	43,750
Gross Salary	17,98,950
Less: Standard Deduction u/s 16 (ia)	50,000
Income under the head 'Salaries'	17,48,950

Chapter - 5 : Income under the Head House Property**2024 - June [2] (a)**

Computation of income from house property of Sanjay for A.Y. 2025-26

Particulars	Amount (₹)
Unit 1 (Self-Occupied)	
Gross Annual Value	NIL
Less: Municipal Tax	NIL

Net Annual Value	NIL
Less: Interest on Borrowed Capital of (2,09,863 + 2,40,000) or 2,00,000 WEL	2,00,000
Income of Unit 1	2,00,000
Unit 2 (Let Out)	
Gross Annual Value (i.e., Rent Received)	3,60,000
Less: Municipal Tax Paid (1/2 of 70,000)	35,000
Net Annual Value	3,25,000
Less: Deduction u/s 24	
Standard deduction (30% of 3,25,000)	97,500
Interest on borrowed capital	
Capital interest pre construction (2,09,863 × 1/2)	1,04,931.5
Revenue interest current period (2,40,000 × 1/2)	1,20,000
Income of Unit 2	2,568.50
Income from House Property (Unit 1 + Unit 2)	1,97,431.5

Working Note 1

Calculation of interest on borrowed capital

Pre-construction period: 1.7.2021 to 30.3.2023

1.7.2020 to 31.3.2021 = 9 months

1.4.2022 to 28.2.2023 = 11 months

1.3.2023 to 30.3.2023 = 30 days

Pre-construction period interest:

$$30,00,000 \times \frac{9}{12} \times \frac{8}{100} = 1,80,000$$

$$30,00,000 \times \frac{11}{12} \times 8\% = 2,20,000$$

$$30,00,000 \times \frac{30}{365} \times 8\% = 19,726$$

$$4,19,726$$

$$\text{Allowable in 5 equal instalments} = \frac{4,19,726}{5} = 2,09,863$$

Current period interest

$$30,00,000 \times \frac{8}{100} = 2,40,000$$

Chapter - 6 : Profits and Gains from Business and Profession

2024 - June [2] (c)

Computation of Total Income of Umesh for A.Y. 2024-25

Particulars	Amount (₹)
Income from Retail Trade u/s 44AD:	
$47,00,000 \times \frac{8}{100} + 25,00,000 \times \frac{6}{100}$	5,26,000
Total Income	5,26,000

Computation of Total Income of Suresh for A.Y. 2025-26

Income shall be computed u/s 44AE as follows:

Particulars	Amount (₹)
Income from plying goods carriage	
(3 × 12 × 1,000 × 15)	5,40,000
Less: Set-off of business loss	90,000
Total income	4,50,000

2024 - June [3] (b)

Calculation of Depreciation & WDV of Assets on 31.3.2025

Particulars	Amount (₹)
WDV of assets as on 1.4.2023 (Machinery)	32,00,000
Add: Cost of assets purchased during the year	
On 23.5.2024 (New)	12,20,000
On 14.6.2024 (New)	12,80,000
On 12.1.2025 (Second-hand)	18,00,000
WDV as on 31.3.2025 (Eligible for Depreciation)	75,00,000
Less:	
1. Normal Depreciation:	
On 18,00,000 × 7.5% since used for less than 180 days) = 1,35,000	
On balance WDV 57,00,000 × 15% = 8,55,000	9,90,000
2. Additional Depreciation:	
On 12,20,000 × 20% since used for more than 180 days)	2,44,000
On 10,00,000 × 10% since purchased in F.Y. 2023-24 & put to use for less than 180 days	1,00,000
WDV as on 1.4.2025	61,66,000

Working Note:

On new machinery purchased in F.Y. 2023-24 & put to use for less than 180 days, the remaining additional depreciation @ 10% is allowed in F.Y. 2024-25.

Total Depreciation allowable u/s 32 for A.Y. 2024-25

(9,90,000 + 2,44,000+1,00,000) = ₹ 13,34,000

Chapter - 7 : Capital Gains**2024 - June [2] (b)**

Computation of income chargeable to tax for Girish for A.Y. 2025-26

Particulars	Amount (`)
Fair market value on the date of conversion	28,00,000
Less: Indexed cost of acquisition: <u>22,00,000 × 348</u> 289	26,49,135
Long-term capital gain	1,50 865

Computation of income from PGPB

Particulars	Amount (`)
Sale value Stamp duty Valuation	40,00,000
Less: Brokersag on sak @ 2% of 34,00,000	68,000
Net Consideration	39,32,000
Less: FMV on the date of conversion	28,00,000
Income from PGPB	11,32,000

Both capital gain and business income would be charged to tax in Assessment Year 2025-26.

Chapter - 9 : Clubbing Provisions and Set-off and/or Carry Forward of Losses**2024 - June [4] (a)**

Section 64(1A) of the Income Tax Act 1961 provides that all income accruing or arising to a minor child shall be included in the income of his parents. "Child" includes a stepchild and adopted child.

The income of the minor child shall be clubbed in the hands of:

1. Where the marriage of his parents subsists, in the income of that parent

- whose total income (excluding the income of the minor) is greater; or
2. Where the marriage of his parents does not subsist, in the income of that parent who maintains the minor child in the previous year.

In the following cases, the income of a minor child is taxable in the hands of the minor himself (i.e., the clubbing provisions of Section 64(1A) are not applicable):

1. Income of a minor child on account of any manual work;
2. Income of a minor child on account of any activity involving application of his skill, talent, or specialized knowledge & experience.
3. Income of a minor child suffering any disability specified u/s 80 U.

Chapter - 11 : Computation of Total Income and Tax Liability of Various Entities

2024 - June [1]

(a) Calculation of taxable capital gain in hands of Basrang for A.Y 2025-26

Sale consideration of vacant land (Stamp duty value is less than 110% of actual consideration; therefore, actual sale consideration shall be taken)	14,00,000
Less: Indexed cost of acquisition	3,94,565
$\left(\frac{2,00,000 \times 363}{184} \right)$	
Long-term capital gain	1,00,5435
Less: Exemption u/s 54EC:	9,00,000
Capital gain chargeable to tax:	1,05,435

- (b) Calculation of taxable HRA in the hands of Usha for A.Y. 2025-26
Least of the following is exempt:

(1) HRA received (30,000 × 12)	3,60,000
(2) Rent paid – 10% of salary 48,000 – 10% of (1,20,000 + 30,000) × 12	3,00,000
(3) 50% of salary	90,000
Amount exempted	3,00,000
Taxable amount of HRA: (3,60,000 – 3,00,000)	60,000

- (c) Computation of total income of Basrang for A.Y. 2025-26

	Particulars	Amount (₹)
1.	Income from house property Gross Annual Value (i.e., actual rent received) 4,80,000 Less: Standard deduction u/s 24 (a), 30% of 4,80,000 = 1,44,000 Income from house property	3,36,000
2.	Income from Salary Arrear salary received 1,50,000 Less: Standard deduction 50,000 Income from salary	1,00,000
3.	Income from Business or Profession Income from Retail Trade u/s 44 AD (1,20,00,000 × 8%) 9,60,000 Less: Set-off of brought forward loss for A.Y 2023- 24 3,00,000	

Income from business or profession	6,60,000
4. Income from Capital Gain As computed above	1,05,435
5. Income from Other Sources	
Rent from vacant land	96,000
Gift received from relative on the occasion of birthday (Exempt)	NIL
Gift of motor car from a friend residing outside India motor car is not a property as per clause (d) of Explanation to section 50 (2) (x). Hence not taxable	NIL
Total Income	12,97,435

(d) Computation of total income of Usha for A.Y. 2025-26

1. Income from Salary	
Basic Salary (1,20,000 × 12)	14,40,000
Dearness Allowance (60,000 × 12)	7,20,000
Lunch Allowance (1,000 × 12)	12,000
Medical Allowance (5,000 × 12)	60,000
Children's Education Allowance 48,000	
Less: Exemption (100 × 12 × 2) = 2,400	
Adjusted Children's Allowance	45,600
Health Club Membership	
House Rent Allowance	60,000
Gross Salary	24,45,600

Less: Standard Deduction	50,000
Income under the Head Salary	23,95,600
2. Income from Other Sources	
Interest on Fixed Deposit	5,000
Savings Bank A/c Interest	15,000
Gross Total Income	24,69,600
Deductions u/s	
80C (PPF contribution, maximum up to 1,50,000)	1,50,000
80TTA (Interest on Savings Account, max 10,000)	10,000
Total Income / Net Income	23,09,600

2024 - June [3] (a)

Computation of total income of Laxmi for Assessment Year 2025-26

Particulars	Amount (₹)
1. Income from Salary	
Pension from state government	6,80,000
Less: Standard deduction u/s 16 (ia)	50,000
Income under the Head Salaries	6,30,000
2. Income from Other Sources	
• Family Pension 12,000	
Less: Deduction (1/3 of 12,000 or 15,000)	
	1,05,000

• Dividend from Indian company 90,000	
Less: Interest on money borrowed for investment in shares of Indian company maximum (18,000) (20% of 90,000)	72,000
• Agricultural income from land located outside India	60,000
Total Income	8,67,000

2024 - June [4A] [Or] (i)

Computation of Total Income of Vinod for A.Y. 2025-26

Particulars	Amount (₹)
N.P. as per P&L A/c	6,75,000
Add: Expenses not allowable:	
Income Tax	45,000
Depreciation (taken separately)	60,000
Interest paid to non-resident (WHT not deducted)	30,000
Provision for bad debts	31,000
Life Insurance Premium	30,000
Amount out standing to MSME disallowed u/s 43 B (h)	25,000
	5,00,000
Less: Agricultural Income (Exempt u/s 10(1))	70,000
PPF Interest	8,000
Depreciation u/s 32	52,000
Gross Total Income	9,73,000
Less: Deduction under Chapter VI-A U/s 80C	
Life insurance premium (self)	30,000
Total Income	9,18,000

Chapter - 13 : Procedural Compliance

2024 - June [4] (b)

According to Section 208 of the Income Tax Act 1961, advance tax shall be payable during a financial year in every case where the amount of tax payable by the assessee during the year is ₹ 10,000 or more.

An assessee has to estimate his current income & calculate tax liability as per the rates in force on their income. If any tax has been deducted at source, the same may be reduced from his tax liability, and only the balance may be paid as advance tax.

A senior citizen (i.e., a resident individual who is at least 60 years of age at any time during the financial year), not having any income from business/profession, is not liable to pay advance tax.

Due Date of Payment of Advance Tax for Corporate and Non-Corporate Assessee

Due Date of Payment of Advance Tax	Amount Payable by Assessee On or before 15th June of the previous year Up to 15% of advance tax (other than an assessee who declares his income in accordance with provisions of Section 44AD (i) or 44 ADA(i))
On or before 15 th June of the previous year	Up to 15% of advance tax
On or before 15 th September of the previous year	Up to 45% of advance tax
On or before 15 th December of the previous year	Up to 75% of advance tax
On or before 15 th March of the	Up to 100% of advance tax

previous year	
---------------	--

An assessee who declares profits & gains in accordance with the provisions of Section 44AD(1) or Section 44ADA(1), to the extent of the whole amount of such advance tax, must pay on or before 15th March of the previous year.

2024 - June [4] (c)

Case	Return has to be signed by
(i) When an individual is unable to verify due to ill health	By any person duly authorized by him on his behalf
(ii) In case of HUF, when the Karta is unable to verify	By any other adult member of such family
(iii) Scientific Research Association	by Any member of the association
(iv) Limited Liability Partnership	by The designated partner
(v) Political Party	by: The chief executive officer of such party

2024 - June [4A] [Or] (ii)

	Provisions	Rate of TDS	Amount of TDS (₹)
a.	As per the provisions of Section 194 I if the amount of rent paid during the financial year to the account of or to the payee exceeds ₹ 2,40,000, then TDS is to be at 10%. In the given case, the amount of rent paid exceeds ₹ 2,40,000. Therefore, the partnership firm shall be liable to deduct tax at source @ 10%.	10%	36,000

b.	As per Section 194 J, If the payee is engaged in the business of operation of a call centre, then TDS is to be deducted at	2%	1,200
c.	When packing materials manufactured as per the specification of the assessee & the raw material is procured by job worker from other than customer it does not attract TDS. therefore no TDS is deductible at source.		
d.	As per Section 194 H Any person, not being an individual or an HUF, who is responsible for paying to a resident any income by way of commission (not being insurance commission) or brokerage shall be liable to deduct tax at source at 5%. (2% from 1.10.2024)	5% (2% from 1.10.2024)	3,500
e.	As per Section 194 J A company shall be liable to deduct tax at source @ 10% on any remuneration or fees or commission paid to a director on which tax is not deductible u/s 192. The limit of ₹ 30,000 u/s 194J is not applicable on any remuneration or fees or commission payable to a director of a company.	10%	10,000

**Chapter - 15 : Basics of Goods and Services Tax GST
2024 - June [6A] (Or) (iii)**

Yes, the compensation received by B Homes Ltd. will attract GST liability because: "Agreeing to the obligation to refrain from an act or to tolerate an act or a situation or to do an act" has been specifically declared to be a supply of service in Para 5(e) of Schedule II

Following conditions are to be completed:

- (i) There must be an expressed or implied agreement or a contract must exist.
- (ii) Consideration must flow in return to this contract/agreement.

Assuming that the amount of ₹ 75 lakh is inclusive of GST

$$\therefore \text{Amount of GST payable} = 75,00,000 \times \frac{18}{118} = 11,44,068$$

$$\text{CGST} = ₹ 5,72,034$$

$$\text{SGST} = ₹ 5,72,034$$

Chapter - 16 : Levy and Collection of GST

2024 - June [6A] (Or) (i) (a)

Discount offered by suppliers to customers shall be excluded to determine the value of supply. This discount can either be given in the tax invoice itself or at later date through credit notes provided it satisfies the conditions under section 15(3) CGST Act.

The conditions for providing discount after the supply has been affected are

- (i) such discount is established in terms of an agreement entered into at or before the time of such supply and specifically linked to relevant invoices; and
- (ii) input tax credit as is attributable to the discount on the basis of document issued by the supplier has been reversed by the recipient of the supply.

In the given case, Abdul & Co can offer discount through credit note as there is already an agreement entered between the parties towards such discount. Further, Khan & Co must reverse ITC while accounting the credit note towards the discount.

2024 - June [6A] (Or) (ii)

As per Section 10 of the CGST Act, 2017, a registered person whose aggregate turnover in the preceding financial year did not exceed ₹ 1.5 crore

will be eligible to opt for payment of tax under the composition scheme. However, the aggregate turnover in the preceding financial year shall be ₹ 75 lakh in the case of special category states.

As in the given case, Kamb & Co., who has registered under the regular scheme in financial year 2024-2025, wants to opt for the composition levy for the financial year 2025-2026 as the turnover for the year ended 31.03.2025 was ₹ 72 lakh (i.e., less than ₹ 1.5 crore).

For opting for the composition levy for the financial year 2025-2026, Kamb & Co. has to electronically file, as per Rule 3(3), an intimation in Form GST CMP-02, duly signed or verified through a facilitation center notified by the commissioner prior to the commencement of the financial year for which the option to pay tax under the aforesaid section is exercised.

It shall furnish the statement in Form GST ITC-03, i.e., ITC reversal on stock, in accordance with the provisions of sub-rule (4) of Rule 44 within a period of 60 days from the commencement of the relevant financial year.

The credit if any remained in electronic credit ledger after such reversal shall lapse.

Having opted for section 10, the registered person shall not collect any tax from the appointed day but shall issue bill of supply for supplies made after the said day. [Proviso to rule 3(1)]

The intimation filed by Lamb & Co. shall be applicable shall be deemed to be an intimation in respect of all other places of business registered on the same PAN. [Rule 3(5)]

The option to pay tax under section 10 shall be effective from the beginning of the financial year i.e. w.e.f. 1.2.2025. Composite dealer not to collect tax & not claim Input Tax Credit [Section 10(4)].

Chapter - 17 : Time, Value and Place of Supply 2024 - June [6] (a)

Date of Provision of Service	Date of Invoice	Date of Receipt of Payment	Time of Supply	Remarks
15.08.2024	10.09.2024	05.09.2024	05.09.2024	Invoice issued within

		(Part) & 05.10.2024 Remaining	&10.09.2024 for remaining	30 days but part payment received before invoice & remaining payment after invoice. As per Explanation (i) to Section 13, the supply shall be deemed to have been made to the extent it is covered by invoice or payment.
--	--	-------------------------------------	------------------------------	---

- (ii) Here, 15.07.2024 will be the time of supply, being the earliest of the three stipulated dates, namely, receipt of goods, date of payment, & date immediately following 30 days of issuance of invoice (Section 12(3)).
- (iii) Date of Service = 01.04.2025, Date of Payment = 27.12.2024, Therefore, Time of Supply = 27.12.2024.
As advance is received before completion of service, as per Explanation (ii) to Section 13, the supply shall be deemed to have been made to the extent it is covered by invoice or as the can may be the payment.
- (iv) As the supply is identified at the point of issue of the voucher, therefore the time of supply, as per Section 12(4), will be the date of issue of the voucher.
So, in this case, the time of supply will be 15.03.2025.
- (v) As per Section 12(4), if the supply is not identified at the point of issue of the voucher, the time of supply will be the date of redemption of the voucher.
So, in this case, the time of supply will be 20.04.2025.

2024 - June [6] (b)

- (i) **Exempt:** As per Entry No. 2 of Notification 12/2017, services by way of transfer of a going concern, in a whole or an independent part, are Nil rated. Hence, the supply of Slump Sale is exempted from GST.
- (ii) **Exempt:** Amount paid to a pandit for conducting Diwali pooja in factory premises is exempted under GST.
- (iii) **Taxable service:** As per Entry 44 of Notification 12/2017, services provided by an incubatee up to a total turnover of ₹ 50 lakh in a financial year are exempt, subject to the following conditions:
The total turnover has not exceeded ₹ 50 lakh during the financial year.
A period of 3 years has not elapsed from the date of entering into an agreement as an incubatee is exempt.
As the above conditions are not satisfied, therefore it is taxable.
- (iv) **Taxable Service:** Services by way of fumigation in a warehouse of agricultural produce is taxable services under GST. Earlier it used to be exempt but after amendment in N/N12/2017.
- (v) **Taxable Services:** As per Entry No. 78 Notification 12/2017, services by an artist by way of a performance in folk or classical art form in music, dance, or theatre is exempt if the consideration charged for such performance is not more than ₹ 1,50,000.
Here in the given case, the amount of consideration charged is more than ₹ 1,50,000. Therefore, it is taxable under GST.

2024 - June [6] (c)

- (i) As per Rule 31(A), the value of supply of lottery will be:
- $$\frac{100}{128} \times (\text{Face value of the ticket or price as notified in official Gazette by organizing state, WEH})$$
- In the given case, the value of supply shall be:
- $$\frac{100}{128} \times (640 \text{ or } 450 \text{ WEH})$$

$$\frac{100}{128} \times 640$$

$$= ₹ 500$$

- (ii) As per Rule 32(2), the value of supply in relation to foreign currency will be (Selling Rate - RBI Reference Rate) × Total unit of foreign currency
 $(80 - 78) \times 10,000 = ₹ 20,000$
- (iii) As per Rule 32(3), the value of services provided by an air travel agent in relation to the booking of air tickets will be 5% of the basic fare in case of domestic booking.
 In the given case, the value of supply shall be:
 $5\% \text{ of } 60,000 = ₹ 3,000$
- (iv) Rule 27 of CGST Valuation Rule 2017 provides that the value of supply of goods or services, where consideration is not wholly in money, shall be determined.
 The open market value of the supply is available.
 Therefore, in the given case, the value of supply shall be ₹ 35,000.
- (v) As per Rule 29 of the CGST Valuation Rule 2017, the value of supply of goods made or received through an agent shall, at the option of the supplier, be:
- Open market value, or
 - 90% of the price charged for the supply of goods of like kind & quality by the recipient to his customer, not being a related person, where the goods are intended for further supply by the said recipient.

$$\begin{aligned} \text{Value of Supply} &= 4,600 \times 90\% \text{ of } 5,000 \\ &= ₹ 4,500 \end{aligned}$$

2024 - June [6A] (Or) (i) (b)

In this case, since the discount is being allowed after the supply is affected

and there is no agreement between the parties for allowing such discount on or before the supply, the value shall be computed without considering the discount.

These discounts shall not be excluded while determining the value of supply. There is no impact on the availability or otherwise of ITC in the hands of the supplier.

Therefore, the value of taxable supply shall be ₹ 2,00,000. (10,000 packets @ ₹ 20) [Ignoring the discount given subsequently amounting to 10,000].

**Chapter - 18 : Input Tax Credit and Computation of GST Liability
2024 - June [5]**

(a) Calculation of Input Tax Credit available to Majumdar Industries for the month of December 2024.

Particulars	Amount (₹)
Purchase of raw material received in two equal installments: (As per section 16(2) of the CGST Act 2017, if the goods are received in installments, tax credit shall be allowed only when the last installment has been received. In the given case, the last installment is received in January 2025, hence credit shall be allowed in the month of January.)	NIL
Purchase of consumables delivered directly to the job worker; only the invoice was received by the firm (Note 1).	1,50,000
Purchase of bus (seating capacity 18) for transport of employees from residence to factory & back (ITC allowed as seating capacity of the bus exceeds 13 persons).	8,40,000
Input tax credit in respect of general insurance for motor cars of the firm used by chief engineers & supervisors for official work.	NIL

Payment made to ABC Caterers for providing breakfast & lunch to the workers as a voluntary staff welfare measure (Note 2).	NIL
Total	9,90,000

Note 1:

Although Section 16 of the CGST Act 2017 specifically states that ITC will be provided only when goods are actually received, but under job work, this condition is not applicable.

Note 2:

As per Section 17(5) of the CGST Act 2017, ITC on food & beverages, outdoor catering, beauty treatment, health services, cosmetic & plastic surgery, leasing, renting, or hiring of motor vehicles, vessels, or aircraft is not allowed.

(b) Section 19 of CGST Act 2017 provides provisions regarding taking input tax credit in respect of input & capital goods sent for job work.

Section 19(3): Provides that input sent to job work by the principal to job worker shall be received by the principal within one year of being sent out.

Section 19(6): Provides that in the case of capital goods, it shall be received by the principal within a period of three years of being sent out.

Section 19(7): Provides that nothing contained in Section 19(3) or 19(6) shall apply to molds, dies, jigs, fixtures, or tools sent out to a job worker for job work.

If the input is not received back by the principal within the period of one year of being sent out, then it shall be treated as deemed supply of inputs to the job worker on the day when said inputs were sent out.

In the case of capital goods, if it is not received back by the principal within the period of three years of being sent out, then it shall be treated as deemed supply of capital goods to the job worker on the day when said capital goods were sent out.

(c) Rule 11 of CGST Rule 2017 provides that any person having multiple places of business within a state or a union territory, requiring a separate registration for any such place of business u/s 25(2), shall be granted a

separate registration in respect of each such place of business subject to the following conditions:

- (a) Such person has more than one place of business as defined in Clause 85 of Section 2.
 - (b) Such person shall not pay tax u/s 10 for any of his businesses if he is paying tax u/s 9 for any other place of business.
 - (c) All separately registered places of business of such person shall pay tax under the Act on supply of goods or services or both made to another registered place of business of such person & issue a tax invoice or a bill of supply, as the case may be, for such supply.
 - (2) A registered person opting to obtain separate registration for a place of business shall submit a separate application in FORM GST REG-01 in respect of such place of business.
- (3) The provisions of Rule 9 & Rule 10 relating to the verification & grant of registration shall mutatis mutandis apply to an application submitted under this rule.

Hence, Majumdar Industries has to satisfy the above conditions to get separate registration for a different place of business within the same state.

(d) Section 52(1) of the CGST Act, 2017 provides that TCS is to be collected on the net taxable value of such supplies in respect of which the ECO collects the consideration. The amount collected should be duly reported in GSTR-8 and remitted to the Government. Any such amount collected will be available to the concerned supplier as credit in his electronic cash ledger.

TDS is not required to be deducted in the following situation:

When supplier as well as place of supply is in the same State and the Recipient is registered in another State.

Example 1: Supplier and place of supply are in State up and recipient is registered Rajasthan.

In this case the supply would be intra state supply but in such case transfer of TDS (Central tax + State tax of Rajasthan) to the Cash ledger of the supplier (Central tax + State tax of UP) would be difficult. Therefore, in this

case no TDS would be deducted.

Example 2: Case for decution and non deduction of TDS:

Sl. No.	Location of Suppler	Place of Supply	State of registration of recipient	Type of Supply	TDS under GST	Type of GST
1.	Prayagraj	Prayagraj	Prayagraj	Intra State	Yes	CGST+SGST
2.	Prayagraj	Rajasthan	Rajasthan	Inter State	Yes	IGST
3.	Prayagraj	Rajasthan	Karnataka	Inter State	Yes	IGST
4.	Prayagraj	Prayagraj	Haryana	Intra State	No	Not applicable

**Chapter - 20 : Overview of Customs Act
2024 - June [6] (d)**

Computation of Assessable Value

Particulars	Amount (USD)
Cost of machine at the factory of the exporting country	50,000 (USD)
<i>Add:</i> Transportation charge incurred by exporter from his factory to port for shipment	3,000 (USD)
<i>Add:</i> Handling charges paid for loading the machine in the ship	500 (USD)
<i>Add:</i> Designing charges for the machine paid in USD	9,500 (USD)

FOB Value	63,000 (USD)
Add: Air freight (Actual or 20% of FOB value WEL)	8,000 (USD)
Add: Insurance charges (1.125% of FOB value)	708.75 (USD)
$\left(\frac{1.125}{100} \times 63,000 \right)$	
CIF Value being assessable value	71,708.75 (USD)
Exchange rate to be applied: 1 USD = ` 80	` 80
CIF Value being Assessable Value in Indian Rupees (71,708.75 × 80)	57,36,700

2024 - June [6A] (Or) (iv)

(i) The given statement is true.

The definition of customs area as provided under section 2(11) of the Customs Act, 1962 has been amended vide the Taxation Laws (Amendment) Act, 2017 to include within its ambit a warehouse also. As a logical corollary, the customs area is now defined to mean the area of a customs station or a warehouse and includes any area in which imported goods or export goods are ordinarily kept before clearance by customs authorities.

(ii) This statement is false.

The Finance Act, 2017 has included international courier terminal and foreign post office within the scope of customs station as defined under section 2(13) of the Customs Act, 1962.

As per the amended section 2(13), a customs station means any customs port, customs airport, international courier terminal, foreign post office or land customs station.

Shuchita Prakashan (P) Ltd.

B-45/141, Street No. 5,
Guru Nanak Pura Laxmi Nagar,
Delhi - 110092

Visit us : www.scanneradda.com

