

**MOCK TEST PAPER 2**  
**INTERMEDIATE COURSE**  
**PAPER – 4: TAXATION**  
**SECTION – A: INCOME TAX LAW**  
**SOLUTIONS**

**Division A – Multiple Choice Questions**

MCQ No.	Sub-part	Most Appropriate Answer	MCQ No.	Most Appropriate Answer
1.	(i)	(d)	2.	(b)
	(ii)	(c)	3.	(d)
	(iii)	(d)	4.	(d)
	(iv)	(c)	5.	(d)
	(v)	(b)		

**Division B – Descriptive Questions**

1. **Computation of total income of Mr. Rishabh for A.Y. 2023-24 under the regular provisions of the Act**

Particulars		₹	₹	₹
<b>I</b>	<b>Income from business or profession</b>			
	Net profit as per profit and loss account		82,45,000	
	<b>Add: Items of expenditure not allowable while computing business income</b>			
	(i) Interest on loan taken for purchase of plant & machinery [Interest from the date on which capital was borrowed till the date on which asset was first put to use, not allowable as deduction under section 36(1)(iii). Accordingly, interest of ₹ 1,53,125 [₹ 50,00,000 x 10.5% x 3.5/12] has to be added back, since the same is debited to the profit and loss account]	1,53,125		
(ii) Purchase of goods at a price higher than the fair market value [The difference between the purchase price (₹ 40 lakhs) and the fair market value (₹ 35 lakhs) has to be added back as per section 40A(2) since the purchase is from a related party, i.e., his brother and at a price higher than the fair market value]	5,00,000	6,53,125		
			88,98,125	
	<b>Less: Items of income to be treated separately under the respective head of income</b>			
	(i) Income-tax refund including interest on refund of ₹ 4,550	15,550		

	(ii) Dividend from Indian companies	15,00,000		
	(iii) Short term capital gains on transfer of listed equity shares	10,00,000	25,15,550	
			63,82,575	
	<b>Less: Depreciation on interest on loan capitalised to plant and machinery</b>			
	₹ 1,53,125, being the amount of interest on loan taken for purchase of plant and machinery from the date on which capital was borrowed till the date on which asset was first put to use, shall be capitalized			
	Normal depreciation @15% x 50% on such interest	11,484		
	Additional depreciation @20% x 50% on such interest	15,313	26,797	
	[Since plant & machinery was put to use for less than 180 days in P.Y. 2022-23, it is eligible for 50% of the rate of depreciation]			
<b>II</b>	<b>Capital Gains</b>			63,55,778
	Short term capital gains on transfer of listed equity shares			10,00,000
<b>III</b>	<b>Income from Other Sources</b>			
	Interest on income-tax refund		4,550	
	Dividend from Indian companies		15,00,000	15,04,550
	<b>Gross Total Income</b>			<b>88,60,328</b>
	<b>Less: Deductions under Chapter VI-A</b>			
	- Deduction under section 80C		40,000	
	Life insurance premium for married daughter [Allowable as deduction though she is not dependent, since child of an individual whether dependent or not falls within the meaning of term "Person". Accordingly, whole of the amount of ₹ 40,000 is allowable as it does not exceed 10% of the ₹ 5,00,000, being the sum assured]			
	- Deduction under section 80D		25,000	65,000
	Health insurance premium for self, spouse and children [Allowable as deduction, since it is paid otherwise than by way of cash. However, it is to be restricted to ₹ 25,000]			
	<b>Total Income</b>			<b>87,95,328</b>
	<b>Total Income (Rounded off)</b>			<b>87,95,330</b>

**Computation of tax payable by Mr. Rishabh for A.Y. 2023-24  
under the regular provisions of the Act**

Particulars	₹	₹
<b>Tax on total income of ₹ 87,95,330</b>		
Tax on short term capital gains on transfer of listed equity shares		1,50,000

@15% u/s 111A [₹ 10,00,000 x 15%]		
Tax on other Income of ₹ 77,95,330		
Upto ₹ 2,50,000	Nil	
₹ 2,50,001 – ₹ 5,00,000 [@5% of ₹ 2.50 lakh]	12,500	
₹ 5,00,001 – ₹ 10,00,000 [@20% of ₹ 5,00,000]	1,00,000	
₹ 10,00,001- ₹ 77,95,330 [@30% of ₹ 67,95,330]	20,38,599	21,51,099
		23,01,099
Add: Surcharge @10%, since total income exceeds ₹ 50,00,000 but does not exceed ₹ 1 crore		2,30,110
		25,31,209
Add: Health and education cess@4%		1,01,248
<b>Total tax liability</b>		26,32,457
Less: TDS u/s 194N @ 2% on ₹ 50 lakhs, being the cash withdrawals exceeding ₹ 1 crore	1,00,000	
Less: Advance tax paid	17,50,000	18,50,000
<b>Tax payable</b>		<b>7,82,457</b>
<b>Tax payable (rounded off)</b>		<b>7,82,460</b>

**Computation of total income of Mr. Rishabh as per section 115BAC for A.Y. 2023-24**

Particulars	₹	₹
<b>Gross Total Income as per regular provisions of the Income-tax Act</b>		<b>88,60,328</b>
Add: Additional depreciation on plant and machinery		
- On interest which is capitalised	15,313	
- On cost of plant and machinery [₹ 65 lakhs x 20% x 50%]	6,50,000	6,65,313
<b>Gross Total Income/ Total Income as per section 115BAC</b>		<b>95,25,641</b>
[No deduction under section 10AA or under Chapter VI-A allowable except u/s 80JJAA]		
<b>Total Income as per section 115BAC (rounded off)</b>		<b>95,25,640</b>

**Computation of tax liability as per section 115BAC**

Particulars	₹	₹
<b>Tax on total income of ₹ 95,25,640</b>		
Tax on STCG of ₹ 10,00,000@15% u/s 111A		1,50,000
<b>Tax on remaining total income of ₹ 85,25,640</b>		
Upto ₹ 2,50,000	Nil	
₹ 2,50,001 – ₹ 5,00,000 [@5% of ₹ 2.50 lakhs]	12,500	
₹ 5,00,001 – ₹ 7,50,000 [@10% of ₹ 2.50 lakhs]	25,000	
₹ 7,50,001 – ₹ 10,00,000 [@15% of ₹ 2.5 lakhs]	37,500	
₹ 10,00,001 – ₹ 12,50,000 [@20% of ₹ 2.5 lakhs]	50,000	
₹ 12,50,001 – ₹ 15,00,000 [@25% of ₹ 2.5 lakhs]	62,500	
₹ 15,00,001 – ₹ 85,25,640 [@30% of ₹ 70,25,640]	21,07,692	22,95,192
		24,45,192

Add: Surcharge @10%, since total income exceeds ₹ 50,00,000 but does not exceed ₹ 1 crore		2,44,519
		26,89,711
Add: Health and education cess@4%		1,07,588
<b>Total tax liability</b>		<b>27,97,299</b>
Less: TDS u/s 194N @ 2% on ₹ 50 lakhs, being the cash withdrawals exceeding ₹ 1 crore	1,00,000	
Less: Advance tax paid	17,50,000	18,50,000
Tax payable		<b>9,47,299</b>
Tax payable (rounded off)		<b>9,47,300</b>

Since tax payable as per section 115BAC is higher than the tax payable as per normal provisions of the Income-tax Act, 1961, it is beneficial for Mr. Rishabh not to exercise option under section 115BAC. In such case, the tax payable by him would be ₹ 7,82,460 as per the regular provisions of the Act.

2. (a) I. Mr. Sarthak is an Indian citizen living in Dubai since 2005 who never came to India for a single day since then, he would not be a resident in India for the P.Y. 2022-23 on the basis of number of days of his stay in India as per section 6(1).

However, since he is an Indian citizen

- having total income (excluding income from foreign sources) of ₹ 23 lakhs, **which exceeds the threshold of ₹ 15 lakhs** during the previous year; and
- not liable to tax in Dubai,

he would be **deemed resident** in India for the P.Y. 2022-23 by virtue of section 6(1A).

A deemed resident is always a resident but not ordinarily resident in India (RNOR).

#### Computation of Total Income for A.Y.2023-24

	Particulars	₹
(i)	Income accrued and arisen in Dubai (not taxable in case of an RNOR)	-
(ii)	Income accrued and arisen in India (taxable)	5,00,000
(iii)	Income deemed to accrue or arise in India (taxable)	8,00,000
(iv)	Income arising in Dubai from a profession set up in India would be taxable in case of RNOR	10,00,000
	<b>Total income</b>	<b>23,00,000</b>

- II. If income arising in Dubai from a profession set up in India is ₹ 2 lakhs instead of ₹ 10 lakhs, his total income (excluding income from foreign sources) would be only ₹ 15 lakhs. Since the same does not exceed the threshold limit of ₹ 15 lakhs, he would not be deemed resident.

Accordingly, he would be non-resident in India for the P.Y. 2022-23 and hence, his total income would be only ₹ 13 lakhs (aggregate of (ii) and (iii) above i.e., ₹ 5 lakhs + ₹ 8 lakhs).

- III. If Mr. Sarthak is not an Indian citizen and his parents were born in India, he would be person of Indian origin. In such case, the provisions relating to deemed resident would not apply to him.

Accordingly, he would be non-resident in India during the P.Y. 2022-23 and his total income would be ₹ 13 lakhs.

**(b) TDS implications**

- (i) Tax @10% has to be deducted by S and Co. Ltd. under section 194J on directors sitting fees of ₹ 25,000. The threshold limit of ₹ 30,000 is not applicable in respect of sum paid to a director.

The amount of tax to be deducted at source = ₹ 25,000 x 10% = ₹ 2,500

- (ii) There is no liability to deduct tax at source under section 194LA, since the payment to Mr. Mohan, a resident, by State of Haryana on compulsory acquisition of his urban land does not exceed ₹ 2,50,000.

- (iii) Since Mr. Purushotham's turnover for F.Y.2021-22 exceeds ₹ 10 crores, and value of goods purchased from Mr. Agarwal, a resident seller, exceeds ₹ 50 lakhs in the P.Y.2022-23, he is liable to deduct tax@0.1% on ₹ 30 lakhs (being the sum exceeding ₹ 50 lakhs), at the time of credit or payment, whichever is earlier.

On 10.6.22= Nil (No tax is to be deducted u/s 194Q on the purchases made on 10.6.2022 since the purchases made till that date has not exceeded the threshold of ₹ 50 lakhs)

On 20.8.2022 = 0.1% of ₹ 2 lakhs (₹ 27 lakhs - ₹ 25 lakhs, being balance unexhausted limit) = ₹ 200

On 12.10.2022 = 0.1% of ₹ 28 lakhs = ₹ 2,800.

- (iv) The E commerce operator, PQ Ltd. is required to deduct tax at the rate of 1% of the gross sale amount. The sale amount exceeds ₹ 5,00,000, hence section 194-O is applicable to the e-commerce participant i.e., M/s ABC & Sons, HUF, on the sales facilitated by PQ Ltd. Therefore, TDS of ₹ 6,000 (1% of 6,00,000) shall be deducted by PQ Ltd. on 1<sup>st</sup> October, 2022. Direct payment by Mr. A shall be deemed to be payment made by PQ Ltd. to the HUF.

**3. (a) Computation of income from house property of Mr. Ramesh for A.Y. 2023-24**

Particulars	₹	₹
Annual value is nil (since house is self occupied)		Nil
Less: Deduction under section 24(b)		
Interest paid on borrowed capital ₹ 20,00,000 @ 12%	2,40,000	
Pre-construction interest ₹ 2,40,000/5	<u>48,000</u>	
	2,88,000	
As per second proviso to section 24(b), interest deduction restricted to		<u>2,00,000</u>
Loss under the head "Income from house property" of Mr. Ramesh		<u>(2,00,000)</u>

**Computation of income from house property of Mr. Suresh for A.Y. 2023-24**

Particulars	Ground floor (Self occupied)	First floor
Gross annual value (See Note below)	Nil	90,000
Less: Municipal taxes (for first floor)		<u>4,000</u>
Net annual value(A)	Nil	86,000
Less: Deduction under section 24		
(a) 30% of net annual value		25,800
(b) interest on borrowed capital		
Current year interest		
₹ 12,00,000 x 10% = ₹ 1,20,000	60,000	60,000

Pre-construction interest		
₹ 12,00,000 x 10% x 9/12 = ₹ 90,000		
₹ 90,000 allowed in 5 equal installments		
₹ 90000/5 = ₹ 18,000 per annum	<u>9,000</u>	<u>9,000</u>
Total deduction under section 24(b)	<u>69,000</u>	<u>94,800</u>
Income from house property (A)-(B)	<u>(69,000)</u>	<u>(8,800)</u>
Loss under the head "Income from house property" of Mr. Suresh (both ground floor and first floor)	(77,800)	

**Note:** Computation of Gross Annual Value (GAV) of first floor of Suresh's house

If a single unit of property (in this case the first floor of Suresh's house) is let out for some months and self-occupied for the other months, then the Expected Rent of the property shall be taken into account for determining the annual value. The Expected Rent shall be compared with the actual rent and whichever is higher shall be adopted as the annual value. In this case, the actual rent shall be the rent for the period for which the property was let out during the previous year.

The Expected Rent is the higher of fair rent and municipal value. This should be considered for 9 months since the construction of property was completed only on 30.6.2022.

Expected rent = ₹ 75,000 being higher of -

Fair rent = 1,00,000 x 9 /12 = ₹ 75,000

Municipal value = 72,000 x 9/12 = ₹ 54,000

Actual rent = ₹ 90,000 (₹ 15,000 p.m. for 6 months from July to December, 2022)

Gross Annual Value = ₹ 90,000 (being higher of Expected Rent of ₹ 75,000 and actual rent of ₹ 90,000)

(b)

I.	<b><u>Tax consequences in the hands of Mr. Ramesh</u></b>
	<p>As per section 50C, where the actual sale consideration is less than the value adopted by the Stamp Valuation Authority for the purpose of charging stamp duty, and such stamp duty value exceeds 110% of the actual sale consideration, then, the value adopted by the Stamp Valuation Authority shall be taken to be the full value of consideration.</p> <p>In a case where the date of agreement is different from the date of registration, stamp duty value on the date of agreement can be considered provided the whole or part of the consideration is received by way of account payee cheque/bank draft or by way of ECS through bank account or through such other electronic mode as may be prescribed, on or before the date of agreement.</p> <p>In this case, since ₹ 15 lakhs is received through account payee cheque on the date of agreement, stamp duty value on the date of agreement would be considered for determining the full value of consideration.</p> <p>Accordingly, in this case, capital gains would be computed in the hands of Mr. Ramesh, for A.Y.2023-24, taking the actual consideration of ₹ 45 lakh of plot as the full value of consideration arising on transfer of such plot, since the stamp duty value on the date of agreement does not exceed 110% of the actual consideration.</p> <p><b>Note</b> – If it is assumed that Mr. Ramesh is a property dealer, the income would be taxable as his business income under section 43CA</p>

II.	<b>Tax consequences in the hands of Mr. Vikas</b>	
	<p>In case, immovable property is received for inadequate consideration, the difference between the stamp duty value and actual consideration would be taxable under section 56(2)(x) in the hands of the recipient, if such difference exceeds the higher of ₹ 50,000 or 10% of actual sales consideration.</p> <p>In a case where the date of agreement is different from the date of registration, stamp duty value on the date of agreement can be considered provided the whole or part of the consideration is paid by way of account payee cheque/bank draft or by way of ECS through bank account or through such other electronic mode as may be prescribed, on or before the date of agreement.</p> <p>In this case, since ₹ 15 lakhs is paid through account payee cheque on the date of agreement, stamp duty value on the date of agreement would be considered.</p> <p>Therefore, nothing would be taxable in the hands of Mr. Vikas under the head "Income from Other Sources" in A.Y.2023-24 since the difference between stamp duty value on the date of agreement and actual consideration does not exceed ₹ 4,50,000, being the higher of ₹ 50,000 and 10% of consideration.</p> <p>At the time of subsequent sale of property by Mr. Vikas to Ms. Babli (on 21.3.2023), short-term capital gains would arise in the hands of Mr. Vikas in A.Y.2023-24, since the property is held by him for less than 24 months.</p>	
	<b>Particulars</b>	<b>₹</b>
	Full value of consideration (Since actual consideration of ₹ 55 lakh is higher than stamp duty value of ₹ 54 lakh)	55 lakh
	Less: Cost of acquisition	<u>45 lakh</u>
	<b>Short-term capital gains</b>	<b><u>10 lakh</u></b>

4. (a) **Computation of gross total income of Ms. Aarti for the A.Y.2023-24**

Particulars	₹	₹
<b>Salary Income (computed)</b>	8,20,000	
Less: As per section 71(3A), loss from house property of ₹ 2,44,000 can be set-off, to the extent of	<u>2,00,000</u>	6,20,000
<b>Income from House Property</b>		
Net Annual Value of House Property	1,20,000	
Less: Deduction u/s 24		
(a) 30% of NAV	36,000	
(b) Interest on housing loan	<u>3,28,000</u>	
Loss from house property	(2,44,000)	
Less: Loss eligible for set-off against salary income restricted to	<u>2,00,000</u>	
Loss to be carried forward to A.Y. 2024-25 for set-off against income from house property, if any, in that year.	<u>(44,000)</u>	
<b>Profits and gains of business or profession</b>		
Share of profit from firm [Exempt u/s 10(2A)]	-	
Loss from specified business u/s 35AD ₹ 67,000 [can be set-off only against income from any specified business. Hence, it has to be carried forward to A.Y.2024-25]	-	
Income from textile business	3,30,000	

Less: Current year depreciation	<u>53,000</u>	
	2,77,000	
Less: Brought forward loss of textile business	<u>1,90,000</u>	
	87,000	
Less: Set-off of unabsorbed depreciation to the extent of ₹ 87,000 against business income	<u>87,000</u>	Nil
<b>Capital Gains</b>		
Long-term capital gains on sale of listed equity shares (STT paid)	2,50,000	
Less: Balance unabsorbed depreciation of ₹ 98,000 set-off	<u>98,000</u>	
Long-term capital gains on sale of listed equity shares [Tax is payable u/s 112A @10% on the amount exceeding ₹ 1,00,000]	1,52,000	1,52,000
Long-term capital gains on sale of debentures	1,50,000	
Less: Set-off of long-term capital loss on sale of equity shares (STT not paid) [Since long-term capital gain on sale of unlisted debentures are taxable @20% and long-term term capital gain on sale of listed shares in excess of ₹ 1,00,000 taxable @10%, it is beneficial to set-off long-term loss against LTCG on sale of debentures]	<u>1,50,000</u>	Nil
<b>Income from Other Sources</b>		
Dividend from units of UTI [Taxable in the hands of the unitholders]		1,15,000
<b>Gross Total Income</b>		<u>8,87,000</u>

<b>Losses to be carried forward to A.Y.2024-25</b>		<b>₹</b>
(i)	Losses from specified business [can be carried forward indefinitely for set-off against income from any specified business]	67,000
(ii)	Loss from house property [can be carried forward upto 8 successive assessment years for set-off against income from house property]	44,000

**(b) Interest on loan**

As per section 64(1)(iv), in computing the total income of any individual, there shall be included all such income as arises directly or indirectly, to the spouse of such individual from assets transferred directly or indirectly, to the spouse by such individual otherwise than for adequate consideration or in connection with an agreement to live apart.

Accordingly, ₹ 50,000, being the amount of interest on loan received by Ms. Nisha, wife of Mr. Nishant, would be includible in the total income of Mr. Nishant, since such loan was given by her out of the sum of money received by her as gift from her husband.

**Loss from business**

Since the capital was invested in business by Ms. Nisha on 1st April, 2022, and capital invested was entirely out of the funds gifted by her husband, the entire loss of ₹ 15,000 from the business carried on by Ms. Nisha would also be includible in the total income of Mr. Nishant.

Since income includes loss as per *Explanation 2* to section 64, clubbing provisions would be attracted even if there is loss and not income.

**Capital Gain on sale of shares of listed company**

The short-term capital gain of ₹ 25,000 (₹ 75,000, being the sale consideration less ₹ 50,000, being the cost of acquisition) arising in the hands of Ms. Nisha from sale of shares acquired by



investing the interest income of ₹ 50,000 earned by her (from the loan given out of the sum gifted to her by her husband), would not be included in the hands of Mr. Nishant.

Income from the accretion of the transferred asset is not liable to be included in the hands of the transferor and therefore such income is taxable in the hands of Ms. Nisha. Since securities transaction tax has been paid, such short-term capital gain on sale of listed shares is taxable@15% in the hands of Ms. Nisha.

- (c) Mr. X may furnish an updated return of his income for A.Y. 2021-22 at any time within 24 months from the end of the relevant assessment year i.e., 31.3.2024.

Accordingly, Mr. X can furnish updated return for A.Y. 2021-22 as on 31.3.2023 and on 28.2.2024. However, he cannot furnish such return as on 31.5.2024, since such date falls after 31.3.2024.

Mr. X would be liable to pay additional income-tax

- @25% of tax and interest payable, if updated return is furnished after the expiry of the time limit available under section 139(4) or 139(5) i.e., 31st December 2022 and before the expiry of 12 months from end of relevant assessment year i.e., 31.3.2023
- @50% of tax and interest payable, if updated return is furnished after the expiry of 12 months from end of relevant assessment year i.e., 31.3.2023 and before the expiry of 24 months from end of relevant assessment year i.e., 31.3.2024.

Accordingly, Mr. X is liable to pay additional income-tax in case he furnished his updated return as on

- (i) 31.3.2023 - ₹ 71,250 [25% of 2,85,000, being tax of ₹ 2,50,000 plus interest of ₹ 35,000]
- (ii) 28.2.2024 of ₹ 1,42,500 [50% of 2,85,000, being tax of ₹ 2,50,000 plus interest of ₹ 35,000]

**SECTION B - INDIRECT TAXES (40 MARKS)**

**SUGGESTED ANSWERS**

**Division A - Multiple Choice Questions**

Question No.	Answer	
1	(b)	mixed supply; 18%
2	(b)	₹ 70,000
3	(a)	₹ 45,000
4	(c)	₹ 1,50,000
5	(b)	₹ 11,700
6	(c)	IGST ₹ 3,600

**Division B - Descriptive Questions**

**1. Computation of net GST payable by ABC & Co. for the month of April**

Particulars	Value of supply	CGST (₹)	SGST (₹)	IGST (₹)
Statutory audit services	1,20,000	10,800	10,800	
ITR filing services	1,60,000	14,400	14,400	
Internal audit services	1,80,000	-	-	<u>32,400</u>
Total output tax liability		25,200	25,200	32,400
Less: ITC [Refer Working Note] [CGST credit is set off against CGST liability and SGST credit is set off against SGST liability since CGST credit cannot be utilized towards payment of SGST liability and vice versa.]		<u>(21,000)</u>	<u>(21,000)</u>	
<b>Net GST payable</b>		<b>4,200</b>	<b>4,200</b>	<b>32,400</b>

**Working Note:**

**Computation ITC that can be availed**

Particulars	CGST (₹)	SGST (₹)
<b>Computation of eligible ITC</b>		
Car purchased for official use by senior partner [ITC on motor vehicles used for transportation of persons with seating capacity upto 13 persons (including driver) is blocked except when used for making specified outward supplies.]	Nil	Nil
Office rent paid to landlord [No ITC since the supplier did not upload the details of invoice in his GSTR-1 and said details are not being reflected in GSTR-2B of recipient.]	Nil	Nil
Professional fee paid [ITC on services used in the course/furtherance of the business is allowed.]	18,000	18,000
Computer for office purpose [ITC on goods used in the course/furtherance of the business is allowed.]	<u>3,000</u>	<u>3,000</u>
<b>Total eligible ITC which can be availed</b> [ITC in respect of invoices furnished by the suppliers in their GSTR-1s and reflected in GSTR-2B of recipient.]	<b>21,000</b>	<b>21,000</b>

2. (a) **Computation of taxable value and tax liability**

Particulars	Amount (₹)
Price of goods (exclusive of tax and discounts)	10,00,000
<i>Add:</i> Tax levied by Municipal Authority [Tax other than GST, if charged separately, are includible in the value.]	10,000
<i>Add:</i> Subsidy received from Jiva Enterprises Pvt. Ltd. [Subsidy provided by non-Government bodies and which is directly linked to the price is includible.]	1,00,000
<i>Add:</i> Post-delivery inspection charges [Anything done by the supplier in respect of the supply of goods after the delivery of goods is not includible in value.]	-
<i>Add:</i> Amount directly paid by Y Ltd. to X Ltd. [Liability of the supplier, in relation to the supply being valued, if discharged by the recipient of supply and not included in the price, is includible in the value.]	25,000
<i>Add:</i> Interest [Interest for delayed payment of consideration is includible in the value. Since interest is received in lumpsum, amount is inclusive of GST [₹ 20,000 x 100/112] (rounded off).]	<u>17,857</u>
<b>Value of taxable supply</b>	<b>11,52,857</b>
<b>CGST @ 6%</b>	<b>69,171</b>
<b>SGST @ 6%</b>	<b>69,171</b>

(b) **Computation of value of taxable supply on which GST is to be paid by Miss. P**

Particulars	IGST* (₹)
Amount received for warehousing of sugarcane [Warehousing of agricultural produce is exempt from GST.]	Nil
Commission received as business facilitator [Services provided by a business facilitator to a banking company with respect to accounts only in its rural area branch are exempt from GST. In the given case since services are being provided to urban branch of the bank, they are taxable. However, the tax payable thereon is to be paid by the recipient of services i.e. banking company, under reverse charge. Hence, Miss P will not be liable to pay GST on commission received for said services.]	Nil
Amount received for services by way of labour contracts [Services by way of pure labour contracts of construction, erection, commissioning, or installation of original works pertaining to a single residential unit otherwise than as a part of a residential complex are exempt from GST. Since such services are being provided for repairing the residential unit, they are not eligible for exemption.]	1,800 [10,000 X 18%]
<b>Total IGST payable</b>	<b>1,800</b>

\*Note: IGST is payable on inter-State supply.

3. (a) **Computation of aggregate turnover of B Enterprises, Karnataka, for January**

Particulars	(₹)
Intra-State outward taxable supply of goods [Aggregate turnover includes value of all taxable supplies.]	7,00,000
Inter-State outward taxable supply of services [Aggregate turnover includes value of inter-State supplies.]	6,00,000
Intra-State outward supply on which tax is payable under reverse charge mechanism [Aggregate turnover includes value of all taxable supplies whether taxable under reverse charge or forward charge.]	1,00,000
Intra-State outward supply of exempted goods from Manipur [Aggregate turnover includes value of exempt supplies made in all the States under the same PAN]	<u>5,00,000</u>
<b>Aggregate turnover</b>	<b>19,00,000</b>
<p>Persons making any inter-State taxable supply of goods are required to obtain compulsory registration, but in case of inter-State supply of taxable services, threshold limit of ₹ 20 lakh is available.</p> <p>Such threshold limit gets reduced to ₹ 10 lakh in case of specified Special Category State provided taxable supply is being made therefrom.</p> <p>Since B Enterprises is making exempt supplies from Manipur - a specified Special Category State, the applicable threshold limit of registration for B Enterprises is ₹ 20 lakh. Thus, it is not liable to be registered as its aggregate turnover does not exceed the threshold limit.</p>	

- (b) E-way bill is mandatorily required to be generated whenever there is a movement of goods of consignment value exceeding ₹ 50,000, *inter alia*, in relation to a supply.

Consignment value of goods, *inter alia*, includes the central tax, State/Union territory tax, integrated tax and cess charged, if any. The consignment value of goods, in the given case, will be ₹ 50,740 [₹ 43,000 + (₹ 43,000 × 18%)].

Thus, in the given case, since the movement of goods is in relation to supply of goods and the consignment value exceeds ₹ 50,000, e-way bill is mandatorily required to be generated in respect of movement of goods from Maharashtra to Punjab.

4. (a) (i) **Consolidated e-way bill in case of road transport**

Consolidated e-way bill (EWB) is a single document containing the details of multiple e-way bills (even with different validity periods) in respect of multiple consignments of various consignors and consignees being transported in a single vehicle/ conveyance generated by the transporter to carry a single document instead of carrying separate documents for each consignment in the conveyance.

(ii) **Acceptance/rejection of e-way bill**

The details of the e-way bill generated shall be made available to supplier (if registered), where the information in Part A of e-way bill is furnished by recipient/transporter, or recipient (if registered), where the information in Part A of e-way bill is furnished by supplier/transporter, who shall communicate his acceptance or rejection of the consignment covered by the e-way bill.

If such person does not communicate the acceptance/rejection within 72 hours from the time of the details being made available to him on the common portal or the time of delivery of goods, whichever is earlier, it will be deemed that he has accepted the details.

- (b) (i) A registered person who has been granted registration with effect from a date earlier than the date of issuance of certificate of registration to him may, issue a revised tax invoice against the invoices already issued during said period, within 1 month from the date of issuance of certificate of registration in prescribed manner.
- (ii) A registered person supplying exempted goods and/or services or paying tax under composition levy, shall issue in prescribed manner, a bill of supply instead of a tax invoice, containing prescribed particulars.