

INTERMEDIATE EXAMINATION

June 2023

P-7(DITX)
Syllabus 2022

DIRECT AND INDIRECT TAXATION

Time Allowed: 3 hours

Full Marks: 100

*The figures in the margin on the right side indicate full marks.
Where considered necessary, suitable assumptions may be made and
clearly indicated in the answer.*

Section-A

(Direct Taxation)

Answer Question No. 1 and any three from Question No. 2, 3, 4 and 5.

1. (a) **Choose the correct alternative:** 1×6=6
- (i) Total income is to be rounded off to nearest multiple of ₹_____ and tax is to be rounded off to nearest multiple of ₹_____.
- (A) Hundred, Ten
(B) Ten, Ten
(C) Ten, One
(D) One, One
- (ii) An Indian company would
- (A) be always resident in India irrespective of control and management.
(B) be resident in India if its control and management is wholly situated in India.
(C) be resident in India if its control and management is wholly or partly situated in India.
(D) be resident in India if its control and management is wholly situated outside India.
- (iii) Income from asset transferred to spouse will be taxable in the hands of transferor if
- (A) asset has been transferred in pursuance of an agreement to live apart.
(B) asset was transferred for an adequate consideration.
(C) asset was transferred before marriage.
(D) asset was transferred for inadequate consideration.
- (iv) Which of the following expenditure on scientific research is not allowed as deduction?
- (A) Capital expenditure incurred on scientific research during the year related to the business.
(B) Revenue expenses incurred during the previous year.
(C) Revenue expenses on payment of salary to employees engaged in scientific research and purchase of material used in scientific research incurred during three years immediately preceding the commencement of business.
(D) Expenditure incurred on acquisition of land during the year for scientific research.

- (v) Taxable value of perquisite being sweat equity shares allotted by the employer is
- (A) fair market value subject to standard deduction of ₹50,000.
 - (B) the fair market value of such shares as on the date when such option is vested to the employee as reduced by the amount paid.
 - (C) the fair market value of such shares as on the date when such option is exercised by the employee as reduced by the amount paid.
 - (D) Not taxable in hands of employee.
- (vi) Which of the following is not an income taxable as income from other sources?
- (A) Family pension
 - (B) Director's sitting fee for attending board meetings
 - (C) Rent received for house property including use of plant and machinery, where rent is separable between rent for house property and rent for use of plant and machinery.
 - (D) Rent received for house property including use of plant and machinery, where rent is inseparable between rent for house property and rent for use of plant and machinery.

(b) **State True or False:**

1 × 4 = 4

- (i) If an employee opts for section 115BAC he is not entitled to claim exemption for leave travel allowance.
- (ii) The rate of depreciation applicable for goodwill is 25%.
- (iii) Loss from speculation business is eligible for carry forward for subsequent 8 assessment years.
- (iv) An income when it is diverted before it reaches the assessee, it is called diversion of income and is not taxable.

(c) **Fill in the blanks:**

1 × 4 = 4

- (i) When a foreign citizen comes to India for the first time and stays for less than 182 days his residential status would be _____.
- (ii) The maximum of interest on loan borrowed for the purpose of repair of building deductible under section 24 is _____.
- (iii) Preliminary expenditure is eligible for amortization in _____ annual instalments.
- (iv) In the case of senior citizen maximum deduction allowed under section 80TTB ₹_____ is allowed.

2. (a) Miss Dhvani, an individual and Indian citizen living in Singapore since year 2008 and never came to India for a single day since then. She earned the following incomes during the previous year 2022-2023:

Sl. No.	Particulars	₹
i.	Income accrued and arisen in India	8,00,000
ii.	Income deemed to accrue and arise in India	6,00,000
iii.	Income arising in Singapore from a profession set up in India	5,00,000
iv.	Income accrued and arisen in Singapore but she is not liable to tax in Singapore	10,00,000

Examine & determine the residential status of Miss Dhvani along with taxable income for the A.Y. 2023-2024. Assuming no other income arise during the previous year.

4

2. (b) Mr. Akhil, a resident individual, aged 55 years owns one residential house in Kolkata. The house is having two identical units. First unit of the house is self-occupied by Mr. Akhil and another unit is rented for ₹16000 p.m. The rented unit was vacant for 2 months during the year. The following particulars of the house for the previous year 2022-2023 are as under:

i.	Municipal valuation	₹ 3,80,000 p.a.
ii.	Standard rent under the Rent Control Act	₹ 3,24,000 p.a.
iii.	Fair rent	₹ 3,60,000 p.a.
iv.	Municipal tax, paid by Mr. Akhil	10% of municipal valuation
v.	Repairs	₹ 6,000 p.a.
vi.	Insurance charges	₹ 5,000 p.a.
vii.	Interest on borrowed capital	₹ 3,000 p.m.

You are required to assess the case and compute income from house property of Mr. Akhil for the A.Y.2023-2024. Mr. Akhil does not opt to be taxed under section 115BAC.

8

3. (a) Ms. Gita (aged 46 years) is a manager in Sun Pvt. Ltd. She has given the details of her income for the previous year 2022-2023. You are required to calculate the income chargeable to tax under the head salaries in the hands of Ms. Gita from the details given below. Ms. Gita does not opt to be taxed under section 115BAC.

Particulars	₹
Basic salary	7,20,000
Dearness allowance @ 20% of basic salary (does not form part of salary for retirement benefits)	1,44,000
Bonus	2,52,000
Entertainment allowance	9,000
Profession tax (of this, 50% paid by the employer)	4,000
Medical allowance	18,000
Life insurance premium of Ms. Gita paid by employer	26,000
Corporate membership of a club. The initial fee of ₹ 50,000 was paid by the employer. Ms. Gita paid the bills for her use of club facilities.	
Motor car owned by the employer, which was provided to Ms. Gita, both for official and personal use. Driver was also provided. (Engine cubic capacity more than 1.6 litres). All expenses are met by the employer.	
Laptop provided for use at home. Actual cost of laptop to employer (children of Ms. Gita are also using the laptop at home)	50,000
Annual credit card fees paid by employer (credit card is not exclusively used for official purposes; details of usage are not available)	7,000

8

3. (b) Discuss with reason the quantum of deduction allowable under Chapter VI-A of The Income Tax Act, 1961 in respect of the following cases:
- Balu paid ₹ 60,000 towards tuition fee for his brother's son who is dependent on him.
 - Dinakar incurred ₹ 70,000 towards cancer treatment of his mother (age 63).
 - Elango repaid ₹ 30,000 of education loan and interest of ₹ 12,000 taken from SBI for his son's engineering course in IIT, Kanpur.
 - Fathima borrowed ₹ 25 lakh for purchase of electric vehicle from SBI and repaid ₹ 2,00,000 towards loan and interest ₹ 1,70,000.

4

4. (a) (i) Mr. Mahesh, a resident and ordinarily resident in India, has derived the following income for the year ended 31st March, 2023:

Sl. No.	Particulars	₹
i.	Income from sale of tea grown and manufactured in Darjeeling	5,00,000
ii.	Income from sale of coffee grown and cured in Mangalore, Karnataka	3,00,000
iii.	Income from sale of coffee grown, cured, roasted and grounded in Bangladesh. Sale consideration was received in Mumbai	10,00,000
iv.	Income from sapling and seedling grown in a nursery at Mumbai. Basic operations were not carried out by him on land	1,00,000
v.	Income from sale of centrifuged latex processed from rubber plants grown in Kerala	2,00,000

You are required to calculate the Total business income and agriculture income of Mr. Mahesh for the Assessment Year 2023-2024. Mr. Mahesh does not opt to be taxed under section 115BAC. 6

- (ii) Briefly explain the cases where a return of loss has to be filed on or before the due date specified under section 139(1) of the Income-tax Act, 1961 for carry forward of the losses. 2

4. (b) State the time limit in which tax deducted by the deductor shall be deposited to Central Government Account under section 200 (read with rule 30) of the Income-tax Act, 1961. 4

5. (a) Mr. Rishabh, a resident individual, aged 54 years, a professor in a college furnishes the following particulars of his income for the previous year 2022-2023:

Sl. No.	Particulars	₹
i.	Income from salary (computed)	5,00,000
ii.	Interest on bank fixed deposit (net of TDS)	49,500
iii.	Income from house property (computed)	2,40,000
iv.	Long-term capital gain	50,000
v.	Dividend from Indian Companies	10,000
vi.	Income-tax refund received relating to assessment year 2022-2023 including interest of ₹ 2,000	34,500
vii.	Short-term capital loss	25,000

He made the following payments:

- (i) Deposit in Public Provident Fund ₹ 1,50,000.
- (ii) Own contribution to Recognised Provident Fund ₹ 25,000.
- (iii) Life insurance premium on own life ₹ 25,000 (sum assured ₹ 2,00,000 taken on 1st October, 2022).
- (iv) Medical insurance premium on own health ₹ 20,000 and on the health of spouse ₹ 10,000 paid by cheque.

You are required to calculate his taxable income and tax payable for the assessment year 2023-2024. Mr. Rishabh does not opt to be taxed under section 115BAC. 6

5. (b) Mr. Raja, a retail trader of Delhi gives the following Trading and Profit and Loss Account for the year ended 31st March, 2023:

Particulars	₹	Particulars	₹
To Opening stock	90,000	By Sales	85,00,000
To Purchases	78,00,000	By Closing stock	80,000
To Gross Profit	6,90,000		
	85,80,000		85,80,000
To Salary	60,000	By Gross profit b/d	6,90,000
To Rent and rates	48,000	By Income from UTI	3,000
To Interest on loan	10,000		
To Depreciation	1,05,000		
To Printing & stationery	24,000		
To Postage & telegram	1,200		
To Loss on sale of shares (Short term)	9,500		
To Other general expenses	8,000		
To Net Profit	4,27,300		
	6,93,000		6,93,000

Additional Information:—

- (i) It was found that some stocks were omitted to be included in both the Opening and Closing Stock, the values of which were:
Opening stock ₹9,000
Closing stock ₹18,000
- (ii) Salary includes ₹10,000 paid to his brother, which is unreasonable to the extent of ₹ 2,500.
- (iii) The whole amount of printing and stationery was paid in cash by way of one time payment to Mr. Sonu.

- (iv) Rent and rates includes GST liability of ₹ 3,400 paid on 7th April, 2023.
- (v) Other general expenses include ₹ 2,000 paid as donation to a Public Charitable Trust.
- (vi) Depreciation as per Income-tax Act, 1961 is ₹ 1,20,000.

You are required to calculate the profits and gains of business of Mr. Raja as per normal provisions of the Act. Assuming he has not opted for the provisions of section 115BAC.

Also assume that the whole of the amount of turnover received by account payee cheque or use of electronic clearing system through bank account during the previous year.

6

Section – B
(Indirect Taxation)

Answer *Question No. 6* and *any three* from *Question No. 7, 8, 9 and 10.*

6. (a) Choose the correct alternative:

1 × 6 = 6

- (i) Which article of the Constitution has been given power to make laws with respect to goods and services tax?
- (A) 246A
(B) 269A
(C) 270
(D) 279A
- (ii) Under GST law which of the following supplies are naturally bundled?
- (A) Pack of school bag, water bottle and lunch box
(B) Rent deed executed for renting of two different floors of a building one for residential and another for commercial purpose to same person
(C) Package of canned food such as pizza, ice-cream, pastry and cake
(D) Laptop along with laptop bag
- (iii) Under GST law which of the following shall be discharged first, while discharging liability of a taxable person?
- (A) All dues related to previous tax period
(B) All dues related to current tax period
(C) Demand raised under Sec. 73 and 74
(D) No such condition is mandatory

- (iv) Under GST law the due date of filing Final Return is
- (A) 20th of the next month.
 - (B) 18th of the month succeeding the quarter.
 - (C) Within three months of the date of cancellation or date of order of cancellation, whichever is later.
 - (D) 31st December of next financial year.
- (v) Which of the following value shall be excluded for determining the transaction value of consignment for e-way bill under GST?
- (A) Packing charges
 - (B) Delivery charges
 - (C) Value of exempt supply if the invoice has both taxable and exempt goods
 - (D) Central tax, State tax or Union territory tax, Integrated tax and cess
- (vi) Under Customs Act, 1962 all goods, derelict, Jetsam, flotsam and wreck brought (or) coming into India, shall be dealt with as if they were into India—
- (A) Exported
 - (B) Imported
 - (C) No duty
 - (D) Exempted from tax

6. (b) State True or False:

1 × 4 = 4

- (i) One-half of the total number of Members of the Goods and Services Tax Council shall constitute the quorum at its meetings.
- (ii) Where an application for GST registration has been submitted by the applicant after the expiry of 30 days from the date of his becoming liable to registration, the effective date of registration shall be the date on which the person becomes liable to registration.
- (iii) Where any article exported by an exporter to India at less than its normal value, the Central Govt., may impose Safeguard duty upon such importation into India under Customs Tariff Act, 1975.
- (iv) Gifts exceeding ₹50,000 in value in a financial year by an employer to an employee shall not be treated as supply of goods or services or both under GST.

6. (c) Fill in the blanks:

1 × 4 = 4

- (i) Under GST law, in case of taxable supply of services by an insurer, invoice shall be issued within a period of _____ from the date of supply of service.
- (ii) Under GST, a registered person may not issue a tax invoice (to unregistered person) if the value of the goods or services or both supplied is less than ₹_____.
- (iii) In case of non-resident taxable person, the certificate of GST registration shall be valid for the period specified in the application for registration or _____ from the effective date of registration, whichever is earlier.
- (iv) Under Customs Act, baggage includes unaccompanied baggage but does not include _____.

7. (a) Identify any four issues in the pre-GST regime, which were addressed by the GST law. 4

7. (b) Examine with brief reasons, whether following suppliers of taxable goods /services are required to register under the GST law and what is the threshold limit for registration—

- (i) Simran Trader of Assam is exclusively engaged in intra-State supply of furniture as well as building bricks. Aggregate turnover of Simran Trader during the financial year is ₹35 lakh which consists of ₹20 lakh as furniture supply and ₹15 lakh as building bricks supply.
- (ii) Sayali Enterprises of Himachal Pradesh is engaged in intra-State supply of computer as well as electrical goods repairing service. Aggregate turnover of Sayali Enterprises during the financial year is ₹38 lakh which consists of ₹30 lakh as computer supply and ₹8 lakh as repairing service. 8

8. (a) Assess which person is liable to pay GST in the following independent cases, where the supplier and recipient both are located in the taxable territory. Ignore the aggregate turnover and exemption available—

- (i) Fast Transport Company (unregistered under GST), a Goods Transport Agency, transported goods to Joint Enterprises, a partnership firm which is not registered under GST.
- (ii) Pooja Jewellers Ltd is registered under GST, paid ₹5 lakh for sponsorship of Beauty pageant in Mumbai to Sweet & Co., a partnership firm which is registered under GST. 2+2=4

8. (b) Jagmag Ltd. is a manufacturer and supplier of goods, registered under GST in the State of Rajasthan. Jagmag Ltd. provides the following information pertaining to GST paid on input supplies during the month of October, 2022.

Sl. No.	Particulars	GST Paid (₹)
i.	Goods that have obsolete and whose value has been written off in books.	5,000
ii.	Raw materials for which invoice has been received and GST has also been paid for full amount but only 90% of material has been received, remaining 10% will be received in next month	50,000
iii.	Car purchased for making further supply of such car. Such car destroyed in accident while being used for test drive by potential customers.	25,000
iv.	Works contractor's service used for repairs and renovation of own office building which is debited in the profit and loss account of Jagmag Ltd.	70,000
v.	Bus purchased for transport of its employees to and from Home to office having approved seating capacity of 13 persons (including driver).	50,000
vi.	Raw materials purchased for which invoice is missing but delivery challan is available.	15,000

You may assume that all the necessary conditions for availing the ITC have been fulfilled by Jagmag Ltd.

Calculate the amount of input tax credit (ITC) available for the month of October, 2022 by giving necessary explanations for treatment of various items as per the provisions of the GST law. 8

9. (a) (i) State the rates of CGST and SGST under composition scheme in respect of the following:
- (a) Trader of Goods
 - (b) Manufacturer of machine 2
- (ii) Laxmi Ltd. a supplier of goods, pays GST under regular scheme. It has made the following outward taxable supplies in a tax period:

Particulars	₹
Inter-State supply of goods	5,00,000
Intra-State supply of goods	24,00,000

It has also furnished the following information in respect of purchases made by it in that tax period:

Particulars	₹
Inter-State purchases of goods	1,00,000
Intra-State purchases of goods	22,00,000

Laxmi Ltd. has following input tax credit (ITC) with it at the beginning of the tax period:

Particulars	₹
IGST	77,000
CGST	20,000
SGST	5,000

Notes:—

- (i) Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively.
- (ii) Both inward and outward supplies are exclusive of taxes, wherever applicable.
- (iii) All the conditions necessary for availing ITC have been fulfilled.

Calculate the minimum GST payable in cash in such a way that cash payable should be minimum for the tax period and also calculate the ITC to be carried forward to the next month.

6

9. (b) Siddhi, a registered supplier of Rajasthan. He has received the following amounts in respect of the activities undertaken by him during the month of October, 2022:

Sl. No.	Particulars	₹
i.	Amount received for service provided to the Indian Olympic Association as team manager of national team.	30,000
ii.	Amount received for warehousing of rice	20,000
iii.	Amount received for services by way of labour contracts for repairing a single residential unit otherwise than as a part of residential complex	10,000

You are required to calculate gross value of taxable supply on which GST is to be paid by Siddhi for the month of October, 2022 by giving necessary explanations for treatment of various items.

Assume all the transactions stated above are intra-State transactions and all the above amounts are exclusive of GST.

(No need for bifurcation between CGST and SGST).

4

10. (a) Ram an importer from Kandla imports machine from an exporter of London (UK). The vessel carrying the goods reaches Mumbai port first and from there goods are transhipped to Kandla port.

You are required to calculate the assessable value of imported goods under the Customs Act, 1962, from the following particulars:—

Sl. No.	Particulars	
i.	Cost of the machine at the factory of the exporter	UK £ 60,000
ii.	Freight charges from exporting country to India	UK £ 10,000
iii.	Actual insurance charges paid to the place of importation are not ascertainable	---
iv.	Design and development charges paid for work undertaken for the machine in USA	UK £ 12,000
v.	Handling charges paid for loading the machine in the ship	UK £ 3,000
vi.	Transport charges from the factory of exporter to the port for shipment	UK £ 5,000
vii.	Transport charges from Mumbai to Kandla port	₹ 12,500
viii.	Lighterage charges paid at the port of importation	₹ 20,000
ix.	Exchange rate to be considered	1 UK £ = ₹100

8

10. (b) Shiv Gouri Trader, a registered supplier under GST, provides the following information regarding various tax invoices issued by it during the month of October:

- Value of supply charged in invoice number 1 was ₹1,50,000 as against the actual taxable value of ₹3,50,000 due to wrong quantity considered while billing.
- Value of supply charged in invoice number 2 was ₹2,00,000 as against the actual taxable value of ₹1,50,000.
- Tax charged in invoice number 6 was ₹45,000 as against the actual tax liability of ₹12,500 due to wrong tax rate charged while issuing invoice.
- Tax charged in invoice number 10 was ₹25,000 as against the actual tax liability of ₹50,000 due to wrong HSN code being chosen while issuing invoice.

You are required to suggest whether debit note or credit note has to be issued by Shiv Gouri Trader in each of the above circumstances.

4

SUGGESTED ANSWERS TO QUESTIONS

SECTION-A

1. (a)

- (i) (B)
- (ii) (A)
- (iii) (D)
- (iv) (D)
- (v) (C)
- (vi) (C)

1. (b)

- (i) True
- (ii) False
- (iii) False
- (iv) True

1. (c)

- (i) Non-resident
- (ii) Rs.30,000
- (iii) 5
- (iv) Rs.50,000

2. (a)

Miss Dhvani is an Indian citizen living in Singapore since 2008 who never came to India for a single day since then, she would not be a resident in India for the previous year 2022-2023 on the basis of number of days of her stay in India as per section 6(1).

However, since she is an Indian citizen

- (i) having total income, other than the income from foreign sources, of Rs. 19 lakh, which exceeds the threshold of Rs.15 lakh during the previous year; and
- (ii) not liable to tax in Singapore

She would be deemed resident in India for the previous year 2022-2023 by virtue of section 6(1A).

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

Total income = ₹ 19,00,000

2. (b)

Income from house property of Mr. Akhil for A.Y.2023-2024 = ₹ 62,700

3. (a)

Income from salary of Ms Gita for the A.Y.2023-2024 = ₹ 11,63,600

3 (b)

Eligibility for deductions under Chapter VI-A:

- (i) Payment of tuition fee for brother's son is not eligible for deduction since brother's son is not covered in section 80C(4).
- (ii) As per section 80DDB when medical expenditure is incurred for medical treatment of certain diseases and the patient is senior citizen the quantum of deduction is Rs.1,00,000 without considering the actual amount of expenditure.
- (iii) Interest on loan taken for pursuing education is deductible under section 80E. The amount thus eligible is Rs.12,000 and the principal is not eligible for deduction.
- (iv) Interest on moneys borrowed for the purchase of electric vehicle is deductible up to a maximum of Rs.1,50,000. The principal repayment is not eligible for deduction.

4. (a)

(i) Income of Mr Mahesh for the A.Y.2023-2024:

Business Income = ₹ 13,45,000

Agriculture Income = ₹ 7,55,000

(ii) The assessee has to file a return of loss under section 139(3) within the time allowed under section 139(1) in order to carry forward and set off of following losses:-

- Loss under the head Capital Gains,
- Loss from activity of owning and maintaining race horses,
- Business loss,
- Speculation business loss and
- Loss from specified business u/s 35D.

4. (b)Deposit of TDS with in Time-Limit [Sec.200 read with Rule 30]

Tax deducted by the deduct or shall be deposited electronically through internet banking facility to the credit of the Central Government within following time limit-

TDS	Time limit
a) Tax is deducted on behalf of the Government	
➤ Where the tax is paid without production of an income-tax challan	On the same day
➤ Where the tax is paid with production of an income-tax challan	On or before 7 days from the end of the month in which tax is deducted
b) When the Assessing Officer (after obtaining prior approval from Joint Commissioner) permits quarterly payment of tax:	
➤ Where deduction is made u/s192, 194A, 194D or 194H	Within July 7 (for Quarter ending on June 30), October7 (for Quarter ending on September 30), January 7 (for Quarter ending on December 31) & April 30 (for Quarter ending on March 31)
c) In any other case	
➤ For the month of March	Within forthcoming 30 th April
➤ For the months other than month of March	Within 7 days from the end of the month in which tax is deducted at source.
Exception: Where tax is deducted u/s194-IAor194-IB,tax shall be paid to the credit of the Central Government within a period of 30 days from the end of the month in which the deduction is made and shall be accompanied by a challan-cum-statement in FormNo.26QB (for sec.194-IA)/ 26QC (for sec.194-IB)	

5. (a)

Taxable income = ₹ 6,57,000

Tax Payable = ₹ 45,660 (Rounded off)

5. (b)

Income from business = ₹ 4,56,300

SECTION – B

- 6. (a)**
- (i) (A)
 - (ii) (D)
 - (iii) (A)
 - (iv) (C)
 - (v) (C)
 - (vi) (B)
- 6. (b)**
- (i) True
 - (ii) False
 - (iii) False
 - (iv) False
- 6. (c)**
- (i) 45 days
 - (ii) 200
 - (iii) 90 days
 - (iv) motor vehicles
- 7. (a)**
- (i) In pre-GST regime, Indian indirect tax was highly fragmented. Centre and States were separately taxing Goods and services. There were many taxes like excise duty, service tax, VAT, CST, purchase tax, entertainment tax, octroi.
 - (ii) In addition, there was multiplicity of rates. Law and procedures. This caused heavy compliance burden.
 - (iii) Imposition of tax on tax was another serious problem. For example, VAT was levied on a value that included excise duty.
 - (iv) Input tax credit chain broke as goods moved from one estate to another, resulting in hidden cost for the business.
 - (v) Further, pre-GST, there were tax nakasat every inter-state border, creating bottlenecks in inter-state transport of goods.
 - (vi) As a result, logistics sector remained inefficient and it adversely impacted the businesses.
 - (vii) Every state was effectively a distinct market for the industry as well as consumer.
 - (viii) Industry's choice of locating factories or warehouses was heavily influenced by the prevailing tax regime rather than pure business consideration.
 - (ix) This made our industry uncompetitive.
- 7. (b)**
- (i) The threshold limit of turnover to obtain registration in the State of Assam for the person engaged exclusively in supply of goods, is Rs.40 lakh.
But in this case Simran Trader will not be eligible for enhanced threshold limit of Rs.40 lakh under Notification No. 03/2022-CT dated 31-03-2022, since it is engaged in supply of building bricks, the applicable threshold limit for registration will be Rs.20 lakh.
the aggregate turnover of Simran Trader is Rs.35 lakh.
Therefore, Simran Trader is liable to get registered under GST as its turnover is more than the threshold limit.
 - (ii) The threshold limit of turnover to obtain registration in the State of Himachal Pradesh for the person engaged exclusively in supply of goods, is Rs.40 lakh. Further, if the supplier is engaged in supply of both taxable goods and services, the applicable threshold limit for registration will be Rs.20 lakh.
Since Sayali Enterprises is engaged in supply of both taxable goods and services, the applicable threshold limit for registration in its case is Rs.20 lakh.

Thus, the aggregate turnover of Sayali Enterprises is Rs.38 lakh.

Therefore, Sayali Enterprises is liable to get registered under GST as its turnover is more than the threshold limit.

8. (a)

- (i) In case of services provided by Goods Transport Agency (GTA) in respect of transportation of goods by road to inter alia, any partnership firm whether registered or not under any law; GST is liable to be paid by such partnership firm.

Therefore, in the given case Joint Enterprises is liable to pay GST under reverse charge.

- (ii) In case of services provided by any person by way of sponsorship to anybody corporate or partnership firm, GST is liable to be paid under reverse charge by such body corporate or partnership firm located in the taxable territory.

Therefore, in the given case, Pooja Jewellers Ltd is liable to pay GST under reverse charge.

8. (b)

Total Input tax credit available = ₹ 70,000

9. (a)

- (i) Rate of GST in the case of composition dealers

- Trading activity the rate of GST is 0.5% of CGST and 0.5% of SGST of the taxable supply of goods.
- Manufacturer of machine is liable for GST @ 0.5% of CGST and 0.5% of SGST of the turnover in the state.

- (ii) Minimum net GST payable in cash:

CGST = ₹ Nil

SGST = ₹ 8,000

IGST = ₹ Nil

ITC to be carried forward next month:

CGST = ₹ 2,000

9. (b)

Gross value of taxable supply on which GST is to be paid by Siddhi = ₹ 10,000

10. (a)

Assessable value of imported goods = ₹ 91,10,000

10. (b)

- (i) A debit note is required to be issued as the value of supply charged in the invoice no.1 is less than the actual taxable value.
- (ii) A credit note is required to be issued as the value of supply charged in the invoice no.2 is exceeds the actual taxable value.
- (iii) A credit note is required to be issued as the tax charged in the invoice no.6 is exceeds the actual tax payable.
- (iv) A debit note is required to be issued as the tax charged in the invoice no.10 is less than the actual tax payable.