Mock Test Paper - Series I: March, 2024

Date of Paper: 9 March, 2024

Time of Paper: 2 P.M. to 5 P.M.

INTERMEDIATE COURSE: GROUP - I

PAPER – 3: TAXATION

Time Allowed – 3 Hours **Maximum Marks – 100**

SECTION – A: INCOME TAX LAW (50 MARKS)

Working Notes should form part of the answer. Wherever necessary, suitable assumptions may be made by the candidates and disclosed by way of a note. However, in answers to Questions in Division A, working notes are not required.

The relevant assessment year is A.Y.2024-25.

Division A – Multiple Choice Questions

Write the most appropriate answer to each of the following multiple choice questions by choosing one of the four options given. All questions are compulsory.

1. Mr. Kamal, aged 45 years, commenced operations of the business of a new three-star hotel in Delhi on 1.4.2023. He incurred capital expenditure of ₹ 50 lakhs on land in March, 2023 exclusively for the above business, and capitalized the same in his books of account as on 1st April, 2023. Further, during the P.Y. 2023-24, he incurred capital expenditure of ₹ 2 crores (out of which ₹ 50 lakhs was for acquisition of land and ₹ 1.50 crore was for acquisition of building) exclusively for the above business. The payments in respect of the above expenditure were made by account payee cheque. The profits from the business of running this hotel (before claiming deduction under section 35AD) for the A.Y.2024-25 is ₹ 85 lakhs.

   He has employed 220 new employees during the P.Y.2023-24, the details of whom are as follows –

	No. of employees	Date of employment	Regular/ Casual	Total monthly emoluments per employee (₹)
(i)	40	1.6.2023	Regular	24,000
(ii)	80	1.7.2023	Regular	24,500
(iii)	50	1.7.2023	Casual	25,500
(iv)	30	1.9.2023	Regular	25,000
(v)	20	1.12.2023	Casual	24,000

All regular employees participate in recognized provident fund and their emoluments are paid by account payee cheque. His gross revenue from the hotel is ₹ 11 crores. Mr. Kamal has opted out of the default tax regime under section 115BAC.

Mr. Kamal also has another existing business of running a four-star hotel in Ahmedabad, which commenced operations twenty years back, the profits from which are ₹ 140 lakhs for the A.Y.2024-25

Based on the facts of the case scenario given above, choose the most appropriate answer to the following questions:

(i) Assuming that Mr. Kamal has fulfilled all the conditions specified for claim of deduction under section 35AD and has not claimed any deduction under Chapter VI-A under the heading "C. – Deductions in respect of certain incomes", what would be the quantum of deduction under section 35AD, which he is eligible to claim as deduction for A.Y.2024-25?

(a) ₹ 250 lakhs

(b) ₹ 200 lakhs

(c) ₹ 100 lakhs

(d) ₹ 150 lakhs

(ii) What would be the income chargeable/loss under the head "Profits and gains of business or profession" for the A.Y.2024-25 in the hands of Mr. Kamal?

(a) ₹ 75 lakhs

(b) ₹ 140 lakhs

(c) ₹ 25 lakhs

(d) (₹ 10 lakhs)

(iii) Would Mr. Kamal be eligible for deduction under section 80JJAA in the A.Y.2024-25? If so, what is the quantum of deduction?

(a) No, he would not be eligible for deduction u/s 80JJAA

(b) Yes; ₹ 75,00,000

(c) Yes; ₹ 81,72,000

(d) Yes; ₹ 99,72,000 **(3 x 2 = 6 Marks)**

2. Mr. Arvind, an Indian citizen, wants to file his return of income for the previous year 2023-24. He required assistance for which he has approached you. He has shared the following details relevant to the P.Y. 2023-24.

Mr. Arvind owned a house property in Bangalore and the same was rented out for ₹ 65,000 p.m. to Mr. Arjun, a salaried employee. He claims that this was the only income which he earned during the P.Y. 2023-24. However, when you had sought for his bank statement, you observed the following information additionally.

There is a credit for ₹ 23,975 towards income-tax refund which includes ₹ 5,775 towards interest on income-tax refund. On 15th August, 2023, the bank statement showed a credit of ₹ 55,000 which he claimed to have received as a gift from his grandchildren on his 60th birthday. On further assessment you were able to understand that Mr. Arvind and his wife had travelled to Mauritius during the P.Y. 2023-24 to spend some time with their son, who is staying in Mauritius. On scrutiny of their passport and relevant documents you conclude that they had left India on 27th September, 2023 and retuned on 31st March, 2024. During the 4 years preceding previous year 2023-24, both had stayed in India for 320 days. Prior to that, they had been staying only in India.

Based on the facts of the case scenario given above, choose the most appropriate answer to the following questions:

(i) What is the residential status of Mr. Arvind for the P.Y. 2023-24?

(a) Resident and ordinarily resident

(b) Resident but not ordinarily resident

(c) Non-resident

(d) Deemed resident but not ordinarily resident

(ii) Is there any requirement to deduct tax at source under section 194-IB on such rent by Mr. Arjun? If yes, what would be the amount of TDS to be deducted?

(a) No, there is no requirement to deduct tax at source under section 194-IB, since Mr. Arjun is a salaried employee

(b) Yes, Mr. Arjun is required to deduct tax at source of ₹ 39,000 under section 194-IB

(c) Yes, Mr. Arjun is required to deduct tax at source of ₹ 78,000 under section 194-IB

(d) No, there is no requirement to deduct tax at source under section 194-IB, since Mr. Arvind is a non-resident

(iii) Which of the following statements is correct with respect to advance tax liability of Mr. Arvind for P.Y. 2023-24?

(a) Advance tax liability shall not arise to Mr. Arvind since he is a non-resident

(b) Advance tax liability shall not arise, since Mr. Arvind is a resident senior citizen and he has no income chargeable under the head “Profits and gains of business or profession

(c) Advance tax liability shall arise, since he is a non-resident

(d) Advance tax liability shall arise, since his tax liability is not less than ₹ 10,000 **(3 x 2 = 6 Marks)**

3. Roshini Ltd. has two units, one unit at Special Economic Zone (SEZ) and other unit at Domestic Tariff Area (DTA). The unit in SEZ was set up and

started manufacturing from 12.5.2014 and unit in DTA from 15.6.2017. Total turnover of Roshini Ltd. and Unit in DTA is ₹ 12,50,00,000 and 4,50,00,000, respectively. Export sales of units in SEZ and DTA is ₹ 3,50,00,000 and ₹ 2,25,00,000, respectively and net profit of Unit in SEZ and DTA is ₹ 95,00,000 and ₹ 80,00,000, respectively. Out of the export sales of ₹ 3,50,00,000, ₹ 2,00,00,000 have been received in convertible foreign exchange by 30.9.2024. Roshini Ltd. would be eligible for deduction under section 10AA for -

(a) ₹ 20,78,125

(b) ₹ 41,56,250

(c) ₹ 11,87,500

(d) ₹ 23,75,000 **(2 Marks)**

4. What would be the tax liability of Ms. Savita, a resident, who attained the age of 60 years on 01.04.2024 on the total income of ₹ 7,25,000, comprising of salary income and interest on fixed deposits under default tax regime under section 115BAC?

(a) ₹ 28,600

(b) ₹ 26,000

(c) ₹ 3,600

(d) ₹ 2,600 **(1 Mark)**

Division B – Descriptive Questions

*Question No. **1** is compulsory*

*Attempt any **two** questions from the remaining **three** questions*

1. Mr. Amit, having business of manufacturing of furniture, gives the following Trading and Profit & Loss Account for the year ended 31.03.2024:

Trading and Profit & Loss Account

Particulars	₹	Particulars	₹
Opening Stock	5,62,500	Sales	2,33,25,000
Purchases	1,88,62,500	Closing Stock	6,75,000
Freight & Cartage	1,89,000		
Gross profit	43,86,000		
	2,40,00,000		**2,40,00,000**
Bonus to staff	71,250	Gross profit	43,86,000
Rent of premises	80,250	Income-tax refund	30,000
Advertisement	7,500	Warehousing charges	22,50,000

Bad Debts	1,12,500		
Interest on loans	2,51,250		
Depreciation	1,07,250		
Goods and Services tax demand paid	1,62,525		
Salary	5,50,000		
Miscellaneous expenses	2,38,475		
Net profit	50,85,000		
	66,66,000		**66,66,000**

Following are the further information relating to the financial year 2023-24:

(i) Income-tax refund includes amount of ₹ 4,570 of interest allowed thereon.

(ii) Salary include ₹ 30,000 paid to his brother which is unreasonable to the extent of ₹ 5,000.

(iii) Advertisement expenses include an amount of ₹ 2,500 paid for advertisement published in the souvenir issued by a political party. The payment is made by way of an account payee cheque.

(iv) Miscellaneous expenses include an amount of ₹ 1,00,000 paid to Political Party by cheque.

(v) Goods and Services Tax demand paid includes an amount of ₹ 5,300 charged as penalty for delayed filing of returns and ₹ 12,750 towards interest for delay in deposit of tax.

(vi) Mr. Amiit had purchased a warehouse building of ₹ 20 lakhs in rural area for the purpose of storage of agricultural produce. This was made available for use from 15.07.2023 and the income from this activity is credited in the Profit and Loss account under the head “Warehousing charges”.

(vii) Depreciation under the Income-tax Act, 1961 works out at ₹ 65,000 excluding depreciation on warehouse building.

(viii) Interest on loans includes an amount of ₹ 80,000 paid to Mr. Mohit, a resident, on which tax was not deducted.

Compute the total income and tax liability of Mr. Amit for the A.Y. 2024-25 in a most beneficial manner. **(15 Marks)**

2. (a) Mr. Akash, an Indian citizen aged 45 years, worked in XYZ Ltd. in Delhi. He got a job offer from ABC Inc., California on 01.06.2022. He left India for the first time on 31.07.2022 and joined ABC Inc. on 08.08.2022. During the P.Y. 2023-24, Mr. Akash visited India from 25.05.2023 to 22.09.2023. He has received the following income for the previous year 2023-24:

Particulars	₹
Salary from ABC Inc., California received in California (Computed)	7,00,000
Dividend from Indian companies	5,00,000
Agricultural income from land situated in Nepal, received in Nepal	4,00,000
Rent received/receivable from house property in Delhi	5,50,000
Profits from a profession in California, which was set up in India, received there	6,00,000

Determine the residential status of Mr. Akash and compute his total income for the A.Y. 2024-25. **(6 Marks)**

(b) Examine and compute the liability for deduction of tax at source, if any, in the cases stated hereunder, for the financial year ended 31st March, 2024.

(i) State Bank of India pays ₹ 70,000 per month and ₹ 60,000 per month as rent to the Central Government and Mr. Kunal, respectively for building in which its branches are situated.

(ii) Payment of ₹ 2,50,000 to Mr. Deepak a transporter who owns 8 goods carriages throughout the previous year. He does not furnish his PAN. **(4 Marks)**

3. (a) Mr. Sahil, a resident individual, aged 40 years, is an assistant manager of Fox Ltd. He is getting a salary of ₹ 55,000 per month. During the previous year 2023-24, he received the following amounts from his employer.

(i) Dearness allowance (10% of basic pay which forms part of salary for retirement benefits).

(ii) Bonus of ₹ 60,000.

(iii) Fixed Medical allowance of ₹ 50,000 for meeting medical expenditure.

(iv) He was also reimbursed the medical bill of his mother dependent on him amounting to ₹ 6,500.

(v) Mr. Sahil was provided;

- a laptop both for official and personal use. Laptop was acquired by the company on 1st June, 2021 at ₹ 35,000.
- a domestic servant at a monthly salary of ₹ 8,000 which was reimbursed by his employer.

(vi) Fox Ltd. allotted 700 equity shares in the month of October 2023 @ ₹ 170 per share against the fair market value of ₹ 280 per share on the date of exercise of option by Mr. Sahil. The fair

market value was computed in accordance with the method prescribed under the Act.

(vii) Professional tax ₹ 2,200 (out of which ₹ 1,400 was paid by the employer).

Compute the Income under the head "Salaries" of Mr. Sahil for the assessment year 2024-25 if he is paying tax under default tax regime under section 115BAC. **(5 Marks)**

(b) Mr. Kushal is a resident but not ordinarily resident in India during the Assessment Year 2024-25. He furnishes the following information regarding his income/expenditure pertaining to his house properties for the previous year 2023-24:

- He owns two houses, one in New York and the other in Ahmedabad.
- The house in New York is let out there at a rent of $ 5,000 p.m. The entire rent is received in India. He paid Property tax of $ 1,250 and Sewerage Tax $ 750 there. ($ 1 = INR 81)
- The house in Ahmedabad is self-occupied. He had taken a loan of ₹ 30,00,000 to construct the house on 1st September, 2018 @10%. The construction was completed on 31st May, 2020 and he occupied the house on 1st June, 2020.

The entire loan is outstanding as on 31st March, 2024. Property tax paid in respect of the second house is ₹ 2,800.

Compute the income chargeable under the head "Income from House property" in the hands of Mr. Kushal for the Assessment Year 2024-25 if he has opted out of the default tax regime under section 115BAC.

(5 Marks)

4. (a) Mr. Vishal, aged 33 years, submits the information of following transaction/income during the P.Y. 2023-24

(i) Mr. Vishal had a house in Delhi. During financial year 2022-23, he had transferred the said house to Ms. Deepika, daughter of his brother without any consideration. House would go back to Mr. Vishal after the life time of Ms. Deepika. The transfer was made with a condition that 10% of rental income from such house shall be paid to Mrs. Vishal. Rent received by Ms. Deepika during the previous year 2023-24 from such house property is ₹ 5,50,000.

(ii) Mr. Vishal holds preference shares in M/s A Pvt. Ltd. He instructed the company to pay dividends to Ms. Chandni, daughter of his servant. The transfer is irrevocable for the lifetime of Chandni. Dividend received by Ms. Chandni during the previous year 2023-24 is ₹ 4,50,000.

(iii) Mr. Vishal has a short term capital loss of ₹ 16,000 from sale of property and long term capital gain of ₹ 15,000 from sale of property.

(iv) Other income/loss of Mr. Vishal includes

- Interest from saving bank account of ₹ 1,75,000
- Cash gift of ₹ 75,000 received from daughter of his sister on his birthday.
- Income from betting of ₹ 25,000
- Income from card games of ₹ 46,000
- Loss on maintenance of race horses of ₹ 14,600

Compute the total income of Mr. Vishal for the Assessment Year 2024-25 if he has opted out of the default tax regime and the losses to be carried forward. **(6 Marks)**

(b) Enumerate the cases where a return of loss has to be filed on or before the due date specified u/s 139(1) for carry forward of the losses. Also enumerate the cases where losses can be carried forward even though the return of loss has not been filed on or before the due date.

(4 Marks)

OR

(b) Mr. Vishnu has undertaken certain transactions during the F.Y.2023-24, which are listed below. You are required to identify the transactions in respect of which quoting of PAN is mandatory in the related documents –

S. No.	Transaction
1.	Sale of scooter for ₹ 70,000
2.	Payment of life insurance premium of ₹ 67,000 to insurance company
3.	Purchase of plot for ₹ 9 lakhs while the stamp duty of the same is ₹ 11 lakhs
4.	Applied to PNB for issue of credit card.

(4 Marks)

SECTION B – GOODS AND SERVICES TAX (50 MARKS)

QUESTIONS

(i) Working Notes should form part of the answers. However, in answers to Questions in Division A, working notes are not required.

(ii) Wherever necessary, suitable assumptions may be made by the candidates, and disclosed by way of notes.

(iii) All questions should be answered on the basis of position of the GST law as amended by provisions of the CGST Act, 2017 and the IGST Act, 2017 as amended by the Finance Act, 2023, including significant notifications and circulars issued, up to 31st October, 2023.

Division A - Multiple Choice Questions (MCQs)

Write the most appropriate answer to each of the following multiple-choice questions by choosing one of the four options given. All questions are compulsory.

Total Marks: 15 Marks

XYZ Electronics Pvt. Ltd. is a leading electronic goods manufacturing company in Delhi. The company produces a wide range of products, including smartphones, laptops, and home appliances.

The sales by the Company are mainly through its distributors on the following credit terms:

For laptops – up to 15 days

For smartphones – up to 90 days

For other home appliances – up to 45 days

During the year, the Company purchased plant and machinery worth ₹ 1 crore exclusive of GST. The GST rate for such plant and machinery is 18%. The input tax credit on such plant and machinery is not blocked under any provision of the CGST Act, 2017.

The Company is planning to demerge its operations in relation to the laptops and other computer accessories from the next financial year. The demerged entity will be a separate legal entity of the Company in form of a wholly owned subsidiary of the Company having common Board of Directors.

The Company also participates in domestic and international level trade fairs to showcase its products and sale through those events. The Electronics Association of Rajasthan is organising a trade fair in Jaipur. The Company is keen to participate in the same. To ensure the GST compliances, the Company wants to obtain the GST registration as casual taxable person in the state of Rajasthan. The Company obtained the GST registration as casual taxable person in the state of Rajasthan with the validity period of 45 days.

The Company transferred the goods from one of its godown in Delhi to another godown in Gujarat wherein the Company has a registered place of business. The value of goods transferred is ₹ 5 crores and the rate of GST applicable on such transfer is 18%. The tax invoice was issued, and GST was deposited by the Company. However, the consideration was not paid by the Gujarat office of the Company to the Delhi office even after 180 days of the invoice date. Further, there was no reverse movement of such goods from Gujarat godown to Delhi Godown.

Based on the information provided above, choose the most appropriate answer for the following questions-

1. What shall be the time limit to issue invoice for supply of smartphones on credit:
   (a) Invoice shall be issued on 31st day from the date of removal of smartphones to distributors.
   (b) Invoice shall be issued before or at the time of removal of smartphones to distributors.
   (c) Invoice shall be issued at the time of receiving payment from distributors.
   (d) Invoice shall be issued upon completion of credit term, i.e. 90 days.
2. In relation to the plant and machinery purchased by the Company, select the correct alternative from the following:
   (a) ITC of ₹ 18 lakh can be claimed and value of asset on which depreciation can be claimed under the provisions of Income- Tax Act, 1961 shall be ₹ 1.18 crore.
   (b) ITC of ₹ 18 lakh can be claimed and value of asset on which depreciation can be claimed under the provisions of Income- Tax Act, 1961 shall be ₹ 1 crore.
   (c) ITC cannot be claimed in such transaction and value of asset on which depreciation can be claimed under the provisions of Income- Tax Act, 1961 shall be ₹ 1 crore.
   (d) ITC of ₹ 18 lakh can be claimed and value of asset on which depreciation can be claimed under the provisions of Income- Tax Act, 1961 shall be ₹ 82 lakh.
3. How shall the demerged entity be treated under the provisions of GST Law?
   (a) The demerged entity shall be treated as related party of the Company.
   (b) The demerged entity shall be treated as distinct entity of the Company.
   (c) The demerged entity shall be treated as additional place of business of the Company.
   (d) The demerged entity shall be treated as sole selling agent of the Company.
4. The period of retention of books of accounts related to period prior to demerger under GST Law is:
   (a) 36 months from the end of financial year

(b) 60 months from the end of financial year

(c) 72 months from the end of financial year

(d) 72 months from due date of furnishing annual return for the relevant financial year

5. The validity of GST registration as a casual taxable person in the state of Rajasthan is:

(a) 45 days

(b) 90 days

(c) 180 days

(d) 135 days

6. Which of the following statements is true in relation to the non-payment of consideration by the Gujarat godown to Delhi godown?

(a) The Gujarat godown shall reverse the ITC availed on the goods received from Delhi and also required to pay interest computed from the date of invoice till the date of reversal of ITC.

(b) The Gujarat godown shall reverse the ITC availed on the goods received from Delhi and no interest shall be applicable.

(c) The restriction of 180 days for payment of consideration is not applicable in the present case.

(d) The Delhi godown shall issue a credit note to Gujarat godown to reverse the supply.

(6 x 2 Marks = 12 Marks)

7. Sanu Associates, Delhi dealing in garments has ordered ladies suits from Sahiba Garments in Ludhiana (Punjab) which is 350 km away from its warehouse. E-way bill is generated by Sahiba Garments and the order is coming by a normal cargo. For how many days will the e-way bill be valid from the time it is generated?

(a) 24 hours

(b) 2 days

(c) 5 days

(d) 7 days **(2 Marks)**

8. 'Pihu' Ltd. has its registered office, under the Companies Act, 2013, in the State of Maharashtra from where it ordinarily carries on its business of taxable goods. It also has a warehouse in the State of Telangana for storing said goods. What will be the place of business of 'Pihu' Ltd. under the GST law?

(a) Telangana

(b) Maharashtra

(c) Both (a) and (b)

(d) Neither (a) nor (b) **(1 Mark)**

Division B - Descriptive Questions

Question No. 1 is compulsory.

Attempt any two questions out of remaining three questions.

Total Marks:35 Marks

1. (a) Vishnu Pvt. Ltd., a registered supplier of goods and services at Kolkata has furnished the following information for the month of February:

S. No.	Particulars	Amount (₹)
(i)	Intra-State supply of taxable goods including ₹ 1,00,000 received as advance in January, the invoice for the entire sale value is issued on 15th February	4,00,000
(ii)	Purchase of goods from a composition dealer, registered in Kolkata	5,50,000
(iii)	Services provided by way of labour contracts for repairing a single residential unit otherwise than as a part of residential complex (It is an intra-State transaction)	1,00,000
(iv)	Membership of a club availed for employees working in the factory (It is an intra-State transaction)	1,75,000
(v)	Goods transport services received from a GTA. GTA has exercised option to pay tax @12% (It is an inter-State transaction)	2,00,000
(vi)	Inter-State services provided by way of training in sports	10,000
(vii)	Inter-State security services provided to Bharat higher secondary school for their annual day function organised in Kaman Auditorium outside the School campus	15,000
(vii)	Inputs to be received in 4 lots, out of which 2nd lot was received during the month	40,000

The company has following ITCs with it at the beginning of the tax period:

Particulars	Amount (₹)
CGST	57,000
SGST	Nil
IGST	50,000

Note:

(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 the ITC have been fulfilled.

(iv) The turnover of Vishnu Pvt. Ltd. was ₹ 2.5 crore in the previous financial year.

Compute the minimum GST, payable in cash, by Vishnu Pvt. Ltd. for the month of February. Make suitable assumptions as required.

(10 Marks)

(b) Gulati Ltd., a registered supplier in Mumbai (Maharashtra), has supplied goods to Mridul Traders and Kalu Motors Ltd. located in Ahmedabad (Gujarat) and Pune (Maharashtra) respectively. Gulati Ltd. has furnished the following details for the current month:

S. No.	Particulars	Mridul Traders (₹)	Kalu Motors Ltd. (₹)
(i)	Price of the goods (excluding GST)	10,000	30,000
(ii)	Packing charges	500	
(iii)	Commission	500	
(iv)	Weighment charges		2,000
(v)	Discount for prompt payment (recorded in the invoice)		1,000

Items given in points (ii) to (v) have not been considered while arriving at price of the goods given in point (i) above.

Compute the GST liability [CGST & SGST or IGST, as the case may be] of Gulati Ltd. for the given month. Assume the rates of taxes to be as under:

Particulars	Rate of tax
Central tax (CGST)	9%
State Tax (SGST)	9%
Integrated tax (IGST)	18%

Make suitable assumptions, wherever necessary. **(5 Marks)**

2. (a) Nath Services Limited, registered under GST, is engaged in providing various services to Government. The company provides the following information in respect of services provided during the month of April:

S. No.	Description of Services provided
(i)	Supply of manpower for cleanliness of roads not involving any supply of goods.
(ii)	Service provided by Fair Price Shops owned by Nath Services Limited by way of sale of sugar under Public

	Distribution System against consideration in the form of commission.
(iii)	Service of maintenance of street lights in a Municipal area involving replacement of defunct lights and other spares alongwith maintenance. Generally replacement of defunct lights and other spares constitutes 35% of the supply of service.
(iv)	Service of brochure distribution provided under a training programme for which 70% of the total expenditure is borne by the Government.

Comment on the taxability or otherwise of the above transactions under GST law. Also state the correct legal provisions for the same. **(4 Marks)**

(b) Mr. Shubh, director of Star Company Private Limited, provided service to the company for remuneration of ₹ 1,25,000. Briefly answer whether GST is applicable in the below mentioned independent cases? If yes, who is liable to pay GST?

(i) Mr. Shubh is an independent director of Star Company Private Limited and not an employee of the company.

(ii) Mr. Shubh is an executive director, i.e. an employee of Star Company Private Limited. Out of total remuneration amounting to ₹ 1,25,000, ₹ 60,000 has been declared as salaries in the books of Star Company Private Limited and subjected to TDS under section 192 of the Income-Tax Act (IT Act). However, ₹ 65,000 has been declared separately other than salaries in the Star Company Private Limited's accounts and subjected to TDS under section 194J of the IT Act as professional services. **(6 Marks)**

3. (a) Examine whether the supplier of goods is liable to get registered in the following independent cases:

(i) Om Sai Builders of Rohini, Delhi is exclusively engaged in intra-State taxable supply of building bricks. It's aggregate turnover in the current financial year is ₹ 23 lakh.

(ii) Hukum Chand of Himachal Pradesh is exclusively engaged in intra-State taxable supply of footwear. His turnover in the current financial year (FY) from Himachal Pradesh showroom is ₹ 32 lakh. He has another showroom in Nagaland with a turnover of ₹ 11 lakh in the current FY. **(5 Marks)**

(b) Mr. Mehta is engaged in the business of trading of books. He is eligible for composition scheme and has opted for the same. He seeks your advice for records which are not required to be maintained by him as composition taxable person. **(5 Marks)**

4. (a) An event management company provided services for organizing a sporting event for a Sports Federation which is held in multiple States? What would be the place of supply of services in this case? **(5 Marks)**

Or

(a) Discuss taxability of shares held in a subsidiary company by holding company? **(5 Marks)**

(b) How a return can be revised after filing of the same, if some changes are required to be made? **(5 Marks)**