

2022

DIRECT TAX : LAWS AND PRACTICE — GENERAL

Paper : DSE-5.2TG

Full Marks : 80

*Candidates are required to give their answers in their own words
as far as practicable.*

প্রাপ্তলিখিত সংখ্যাগুলি পূর্ণমান নির্দেশক।

বিভাগ - ক

১। (ক) কখন একটি কোম্পানিকে ভারতে অনাবাসিক বলা হয়?

(খ) একটি বিদেশি কোম্পানি কি ভারতে আবাসিক হতে পারে?

৩+২

অথবা,

ভারতে প্রাপ্য বা উদ্ভূত বলে অনুমিত রয়্যালটি (Royalty) আয় সম্পর্কিত আয়কর আইনের 9-এর ধারানুযায়ী বিধানগুলি আলোচনা
করো।

৫

২। 01.08.2010 তারিখে Concord Ltd. একটি বিশেষ অর্থনৈতিক অঞ্চলে (SEZ) ব্যবসা শুরু করেন। এই কোম্পানি 2021-22
পূর্ববর্তী বছরের জন্য নিম্নলিখিত তথ্যসমূহ পেশ করেছেন :

(₹)

| | |
|---|-----------|
| — ব্যবসায়ের মুনাফা (আয়কর আইন অনুযায়ী নির্ণীত) | 16,00,000 |
| — রপ্তানি সংক্রান্ত আবর্তনের পরিমাণ | 42,14,000 |
| — দেশীয় বিক্রয়ের পরিমাণ | 7,00,000 |
| — SEZ Re-investment Allowance Reserve Account-এ স্থানান্তরের পরিমাণ | 5,20,000 |

কর নির্ধারণ বছর 2022-23-এর জন্য Concord Ltd.-এর হাতে 10AA ধারানুযায়ী ছাড়ের পরিমাণ নির্ণয় করো।

৫

৩। পূর্ববর্তী বছর 2021-22-এর জন্য রেগুকা নিম্নলিখিত তথ্যসমূহ পেশ করেছেন :

(₹)

| | |
|-------------------------------|-----------|
| — ভারতে পেশা থেকে আয় | 10,00,000 |
| — বলিভিয়ায় পেশা থেকে আয় | 3,00,000 |
| — ভারতে অন্যান্য উৎস থেকে আয় | 60,000 |
| — পরিচ্ছেদ VIA অনুযায়ী ছাড় | 1,50,000 |
| — বলিভিয়ায় প্রদত্ত কর | 45,000 |

ভারত ও বলিভিয়ার মধ্যে দুবার প্রদত্ত কর এড়ানোর কোনো চুক্তি নেই।

কর নির্ধারণ বছর 2022-23-এর জন্য রেগুকার প্রাপ্য ছাড় ও প্রদেয় করের পরিমাণ নির্ণয় করো।

8+১

Please Turn Over

(5)

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| | |
|---|----------|
| Interest from savings account in Bank | 25,000 |
| Deposit in Public Provident Fund account in SBI | 60,000 |
| Repayment of house building loan (principal) | 1,00,000 |
| Medical insurance premium paid for his own health | 30,000 |
| Donation to a recognised political party | 20,000 |

১২+৩

৯। (ক) নিম্নলিখিত তথ্যসমূহ থেকে MNC LLP-র দ্বারা কর নির্ধারণ বছর 2022-23-এর জন্য দেয় করের পরিমাণ ও ট্যাক্স ক্রেডিট (যদি কিছু) অগ্রবাহিতকরণের পরিমাণ নির্ণয় করো :

| | (₹) |
|-----------------------------|-----------|
| — Business Income | 16,00,000 |
| — Income from other sources | 2,00,000 |
| — Deduction u/s 80G | 50,000 |
| — Deduction u/s 80 JJAA | 10,50,000 |

Rate of tax @ 30%, AMT @ 18.5%, surcharge and cess as applicable.

(খ) নিম্নলিখিত ব্যবসায়িক খরচাগুলির ছাড়যোগ্যতা সম্বন্ধে আলোচনা করো :

(অ) আসবাবপত্র কেনার জন্য একদিনে নগদে প্রদত্ত 1,13,000 টাকা।

(আ) একজন পাণ্ডাদারকে একদিনে নগদে প্রদত্ত 16,000 টাকা।

(ই) 20.11.2022 তারিখে HDFC ব্যাংককে দীর্ঘমেয়াদি ঋণের ওপর সুদ বাবদ প্রদত্ত 1,70,000 টাকা (আয়ের বিবরণী জমা দেবার তারিখ 31.10.2022)।

(ঈ) নিজ ব্যবসা সংক্রান্ত গবেষণা চালানোর জন্য ক্রীত জমির মূল্য 30,00,000 টাকা।

(উ) একটি রাজনৈতিক দলের দ্বারা প্রকাশিত স্মারকগ্রন্থে বিজ্ঞাপনের জন্য প্রদত্ত 25,000 টাকা।

১০+৫

[English Version]

The figures in the margin indicate full marks.

Group - A

1. (a) When a company is said to be non-resident of India?

(b) Can a foreign company be a resident of India?

3+2

Or,

Discuss the provision u/s 9 of Income Tax Act regarding income deemed to accrue or arise in India in respect of income by way of royalty.

5

Please Turn Over

2. Concord Ltd. started a business in a SEZ on 01.08.2010. It furnished the following information for the previous year 2021-2022 :

| | (₹) |
|---|-----------|
| — Profit of business (computed under the Income Tax Act) | 16,00,000 |
| — Export Turnover | 42,14,000 |
| — Domestic Sales | 7,00,000 |
| — Amount transferred to SEZ Re-investment Allowance Reserve Account | 5,20,000 |
| Compute deduction u/s 10AA in the hands of Concord Ltd. for the A.Y. 2022-23. | 5 |

3. Renuka supplied the following information for the P.Y 2021-2022 :

| | (₹) |
|--------------------------------------|-----------|
| — Income from profession in India | 10,00,000 |
| — Income from profession in Bolivia | 3,00,000 |
| — Income from other sources in India | 60,000 |
| — Deduction under chapter VIA | 1,50,000 |
| — Tax paid in Bolivia | 45,000 |

There is no Double Taxation Avoidance Agreement between India and Bolivia.

Compute relief and tax payable by Renuka for the A.Y. 2022-23. 4+1

4. AB Ltd. has two business divisions, A and B. The company started the division B since 2017, but on 01.04.2021, it has transferred the business B at a lumpsum price of ₹ 30 Lakh.

The division B had the following assets and liabilities as on 31.03.2021 :

| | ₹ in Lakh |
|----------------|-----------|
| Fixed Assets | 100 |
| Debtors | 15 |
| Stock-in-trade | 25 |
| Creditors | 17 |

Expenses on transfer is 2 lakh. Compute the amount of capital gains arising out of such transfer for the assessment year 2022-23.

(CII 2017-18 : 272; 2021-22 : 317) 5

Or,

Mention any five tax benefits that can be enjoyed by a resulting company in case of demerger. 5

Group - B

5. (a) Bhuban purchased a land on 25.08.2008 for ₹ 13,00,000. The Central Govt. compulsorily acquired the land during 2019-20 and paid compensation of ₹ 42,00,000 on 18.07.2020.

On 01.08.2020 Bhuban filed an appeal in the court for additional compensation. He received additional compensation of ₹ 3,00,000 on 11.06.2021. He incurred legal expenses of ₹ 40,000.

Compute income from capital gains of Bhuban for the relevant assessment years.

[CII for 2008-09 = 137; 2019-20 = 289; 2020-21 = 301; 2021-22 = 317]

- (b) From the following information, compute income from other sources of Tamal for the A.Y. 2022-23 :

| | | |
|--|----------|-----|
| (i) Dividend from Indian company | ₹ 20,000 | |
| (expenses on account of interest on borrowed capital for such investment amounts to ₹ 6,000) | | |
| (ii) Cash gift received from employer on the occasion of 25th marriage anniversary | ₹ 80,000 | |
| (iii) Cash gift from father | ₹ 60,000 | 6+4 |

Or,

- (a) Who are eligible to adopt presumptive taxation scheme u/s 44AD?
 (b) From the following information compute allowable depreciation and capital gain (if any) for the A.Y. 2022-23 :

| | Building | Plant and Machinery |
|---|---------------------------|---------------------------|
| WDV as on 01.04.2021 | ₹ 7,00,000 | ₹ 8,90,000 |
| Purchases during 2021-22 | ₹ 4,50,000 | ₹ 3,50,000 |
| | (Purchased on 05.08.2021) | (Purchased on 11.10.2021) |
| Sales proceeds of assets | ₹ 13,80,000 | ₹ 4,00,000 |
| Rate of depreciation | 10% | 15% |
| Rate of additional depreciation is 20%. | | 4+6 |

6. Ranjan appointed the following employees during the previous year 2021-22 for the business which started on 01.07.2021 :

| No. of employees | Period of employment | Monthly emoluments per employee (₹) |
|------------------|----------------------|-------------------------------------|
| 60 | 9 months | 20,000 |
| 20 | 8 months | 19,000 |
| 10 | 8 months | 30,000 |
| 30 | 4 months | 22,000 |

Compute amount of deduction u/s 80JJAA assuming tax audit is applicable.

10

Please Turn Over

Or,

- (a) Mr. Raja transfers without any consideration fixed deposit of ₹ 2,00,000 with a bank to his daughter-in-law Mrs. Neha on 10.05.2021.

Mrs. Neha received interest income of ₹ 12,000 from such fixed deposit during the financial year 2021-22.

Discuss the taxability of the above as per the Income Tax Act.

- (b) Write a short note on deduction available to an eligible assessee u/s 80 IAB of the Income Tax Act.
(c) State the amount of deduction allowable u/s 80 JJA. 3+5+2

7. (a) State the provisions in respect of scientific research expenditure incurred by an assessee in case of
(i) In-house expenditure
(ii) Payment to third party.

- (b) Explain the provision of Income Tax Act in respect of capital gains on conversion of capital asset into stock in trade. (3+2)+5

Group - C

8. A, K and C are partners of a firm. Their profit a sharing ratio is 2 : 1 : 2. The firm's Profit and Loss account for the year ended 31st March, 2022 is as under :

| Particulars | ₹ | Particulars | ₹ |
|-------------------------------------|------------------|--|------------------|
| To, Provision for income tax | 52,000 | By Gross Profit b/d | 17,33,000 |
| ” Donation to National Defence Fund | 20,000 | ” Interest on drawings @8% p.a. | 45,000 |
| ” Depreciation | 70,000 | ” Long-term capital gain on sale of land | 1,00,000 |
| ” Penalty for violation of laws | 11,000 | | |
| ” Business Expenses | 7,80,000 | | |
| ” Interest on capital @ 18% p.a. | | | |
| A | 45,000 | | |
| B | 24,000 | | |
| C | 21,000 | | |
| ” Remuneration to partners | 6,70,000 | | |
| ” Net Profit | 1,85,000 | | |
| | 18,78,000 | | 18,78,000 |

Other information :

- (a) Depreciation as per the IT Rules ₹ 1,15,000.

- (b) Business expenses include bonus to employees of ₹ 12,000 not paid till the date of filing return.

Compute total income and tax liability of the firm for the A.Y. 2022-23 assuming the firm satisfies all the conditions u/s 184 and 40(b). 12+3

Or,

From the following particulars compute the taxable income and tax liability of Ramesh for the previous year 2021-2022 :

| | (₹) |
|--|------------|
| Gross salary (Professional tax paid ₹ 2,000) | 8,00,000 |
| Income from let-out property | 3,50,000 |
| Loss from self-occupied property | (3,00,000) |
| Long-term capital gain on sale of land | 70,000 |
| Short-term capital loss on sale of gold | (15,000) |
| Profit from textile business | 6,00,000 |
| Loss from mobile business | (1,50,000) |
| Dividend income (interest on loan paid for borrowing ₹ 15,000) | 60,000 |
| Interest from savings account in Bank | 25,000 |
| Deposit in Public Provident Fund account in SBI | 60,000 |
| Repayment of house building loan (principal) | 1,00,000 |
| Medical insurance premium paid for his own health | 30,000 |
| Donation to a recognised political party | 20,000 |
| | 12+3 |

9. (a) From the following information, compute tax payable by MNC LLP for the assessment year 2022-23 and tax credit, if any, to be carried forward :

| | (₹) |
|-----------------------------|-----------|
| — Business Income | 16,00,000 |
| — Income from other sources | 2,00,000 |
| — Deduction u/s 80G | 50,000 |
| — Deduction u/s 80 JJAA | 10,50,000 |

Rate of tax @ 30%, AMT @ 18.5%, surcharge and cess as applicable.

- (b) Discuss the admissibility of the following business expenses :

- (i) Paid ₹ 1,13,000 in cash in a day for purchase of furniture.
- (ii) Paid ₹ 16,000 in cash to a creditor in a day.
- (iii) Paid interest on long-term loans taken from HDFC Bank of ₹ 1,70,000 on 20.11.2022 (date of submission of return 31.10.2022).
- (iv) Cost of land purchased for carrying out in-house research relating to its business ₹ 30,00,000.
- (v) Paid for advertisement in a souvenir published by a political party ₹ 25,000. 10+5