

PAPER – 3 : TAXATION

Part – I MCQs

Case Scenario -1

Mr. Ananth is a traditional farmer who was inherited with 35 acres of rural agricultural land which was around 20 kms from nearest town. He is cultivating in 15 acres-Paddy, which is directly taken by rice traders. Another 10 acres of land is used for growing Sugarcane and as per practice sugarcane is purchased by sugar mills nearby the villages for which payments were received by Neft/RTGS/IMPS. Remaining area is cultivated for (1) Mulberry leaves & (2) Part of Mulberry leaves are used for being fed to silkworms and obtaining silk cocoons and selling these silk cocoons in market. During the financial year 2023-24, Mr. Ananth had got net Income of ₹ 4,00,000 from Sale of Paddy, ₹ 3,50,000 net gain on sale of Sugarcane and ₹ 75,000 by selling Mulberry leaves alone. He carried out Mulberry 5 silkworm production using his Mulberry leaves worth ₹ 50,000 and selling the silk cocoons by spending ₹ 2,00,000 and got ₹ 3,75,000 on sale of Silk Cocoons to Silk Co-operatives.

Based on the above information, answer the following MCQ no. 1 to 3:

1. (A) Paddy Income of ₹ 4,00,000 alone is exempt as Agricultural Income.
(B) Sugarcane Income of ₹ 3,50,000 and Paddy income of ₹ 4,00,000 will constitute as Agricultural Income.
(C) Sale of Mulberry leaves amounting to ₹ 75,000, Paddy income of ₹ 4,00,000 and sugarcane income of ₹ 3,50,000 will all constitute Agricultural Income.
(D) Paddy Income of ₹ 4,00,000, Sugarcane Income of ₹ 3,50,000 and sale & use of Mulberry leaves of ₹ 1,25,000 all will constitute Agricultural Income. **(2 Marks)**
2. (A) The Sale of Mulberry leaves of ₹ 75,000 will not constitute as Agricultural Income.
(B) The amount of ₹ 3,75,000 being sale proceeds of silk cocoons to Silk co-operatives will constitute as Agricultural Income.

- (C) Net Income from Production of Silk cocoons of ₹ 1,75,000 is exempt from tax being Agricultural Income.
- (D) Net Income from sale of Silk Cocoons amounting to ₹ 1,25,000 will not be treated as Agricultural Income and will be taxed either as Business Income or IFOS. **(2 Marks)**
3. (A) Entire amount of Agricultural Income of Mr. Ananth will be ₹ 12,00,000.
- (B) Agriculture Income will be ₹ 8,25,000 whereas Gain on Sale of Silk Cocoons amounting to ₹ 1,25,000 will be Non-Agriculture Income.
- (C) Agriculture Income will be ₹ 8,75,000 whereas Non-Agriculture Income will be ₹ 1,25,000.
- (D) Since Mr. Ananth mixes agriculture activities with non-agriculture activities the entire receipt of ₹ 12,00,000 will be treated as Non-Agriculture Income. **(2 Marks)**

Case Scenario - II

Mr. A transferred a house property to his wife in P.Y. 2023-24 for inadequate consideration. She received a rent of ₹ 2 lakh from letting out this property and spent ₹ 4,800 as municipal taxes. She deposited the same with bank and earned an interest of ₹ 15,000 during the P.Y. 2023-24.

Based on the above information, answer the following MCQ no. 4 to 6:

4. The income of rent and interest will be chargeable to tax in the hands of -
- (A) Mr. A - ₹ 2,15,000 as income of spouse clubbed under clubbing provisions.
- (B) Mr. A - ₹ 2 lakh under income from House Property (HP) and Mrs. A - ₹ 15,000 under Income From Other Sources (IFOS).
- (C) Mrs. A - ₹ 1,36,640 under income from House Property and ₹ 15,000 under IFOS.
- (D) Mr. A - ₹ 1,36,640 under income from HP and Mrs. A - ₹ 15,000 under IFOS. **(2 Marks)**
5. If Mrs. A invests this rent amount in a business and incurs a loss of ₹ 20,000 and she has income from other business of ₹ 4 lakh. The income of rent and business will be chargeable to tax in the hands of -

- (A) Mr. A - ₹ 1,36,640 under income from HP and Mrs. A - ₹ 3.80 lakh under income from business.
- (B) Mr. A - ₹ 1,22,640 under income from HP and Mrs. A - ₹ 4 lakh as business profits.
- (C) Mrs. A - ₹ 1,36,640 under income from HP and ₹ 3.80 lakh as business profits.
- (D) Mr. A - ₹ 1.80 lakh under income from HP and Mrs. A - ₹ 4 lakh as business profits. **(2 Marks)**
6. If Mr. A transfers the above property for inadequate consideration with an agreement to live apart, then the income of rent and interest will be chargeable to tax in the hands of -
- (A) Mr. A - Nil and Mrs. A - ₹ 1,36,640 under income from HP and ₹ 15,000 under IFOS.
- (B) Mr. A - ₹ 2.15 lakh under clubbing provisions and Mrs. A - NIL
- (C) Mr. A - ₹ 2 lakh under income from HP and Mrs. A - ₹ 15,000 under IFOS.
- (D) Mr. A - ₹ 1,36,640 under income from HP and Mrs. A - ₹ 15,000 under IFOS. **(2 Marks)**
7. Raju earned 25,000 from lotteries, ₹ 10,000 from betting, ₹ 50,000 from online games (on internet) and lost ₹ 5,000 in card games during P.Y. 2023-24.
- The amount of tax to be charged for A.Y. 2024-25 will be -
- (A) 30% of (₹ 25,000 + ₹ 10,000) + 20% of ₹ 50,000 and adjustment of unexhausted basic limit is permitted against this income.
- (B) 30% of (₹ 25,000 + ₹ 10,000 + ₹ 50,000 - ₹ 5,000) and adjustment of unexhausted basic limit is permitted against this income.
- (C) 30% of (₹ 25,000 + ₹ 10,000 + ₹ 50,000) and adjustment of unexhausted basic limit is not permitted against this income.
- (D) 30% of (₹ 25,000 - ₹ 5,000) + 20% of (₹ 10,000 + ₹ 50,000) and adjustment of unexhausted basic limit is not permitted against this income. **(2 Marks)**

8. *AMT liability are not attracted to: Choose the correct answer from the following:*
- (A) *Individual/AOP*
 - (B) *HUF/BOI/Artificial Juridical person not paying tax under default tax regime.*
 - (C) *Individual/HUF/BOI/AOP*
 - (D) *Individual/HUF/BOI/AOP paying tax under default tax regime.*

(1 Mark)

Case Scenario - III

Mr. Mohanraj of Kerala, unregistered under GST, deals with supply of cosmetic items within Kerala. He ordered an i-phone for his son studying in Pune, Maharashtra, through online from an Electronic Commerce Operator located in Delhi. He gave his Kerala address for Billing and his son's hostel address in Maharashtra for delivery. The supplier in Delhi dispatched the ordered phone from his godown in Karnataka.

He applied for registration under GST in the name of Mohanraj & Co., a proprietor concern and got registered in the State of Kerala.

During the month of June 2024,

- (i) *He purchased goods valued ₹ 5,00,000 for making further supply. Out of the above purchases, he gifted stock worth ₹ 2,00,000 to his daughter, who is of doing the same line of business in Kerala, to help her.*
- (ii) *He supplied stock valued at ₹ 1,50,000 to an unregistered buyer in Kerala.*
- (iii) *Mohanraj paid ₹ 10,000 towards rent to Local Municipal Corporation for the shop taken on rent at a Bus Terminal in Kerala.*
- (iv) *He paid a rent of ₹ 20,000 for a residential house property taken on rent in Kerala. This property was used for his personal residence.*

All the amounts given above are exclusive of tax, wherever applicable.

Rates of GST for goods are 6%, 6% and 12% for CGST/SGST/IGST respectively. Rates of GST for services are 9%, 9% and 18% for CGST /SGST/IGST respectively. Subject to the information given above, conditions for availing ITC are complied with.

Based on the above information, choose the most appropriate answer for the questions **9-11**:

9. In respect of i-phone ordered and delivered, Place of Supply will be,
- (A) Kerala
 - (B) Delhi
 - (C) Karnataka
 - (D) Maharashtra
10. Determine the Value of Outward supply (including supply liable under RCM) of Mr. Mohanraj for the month of June 2024.
- (A) ₹ 1,60,000
 - (B) ₹ 1,80,000
 - (C) ₹ 3,60,000
 - (D) ₹ 3,80,000
11. Amount of ITC that can be claimed by Mr. Mohanraj, for the month of June 2024 including RCM transactions if any, will be _____ each under CGST and SGST.
- (A) ₹ 18,900
 - (B) ₹ 20,700
 - (C) ₹ 30,900
 - (D) ₹ 32,700

Case Scenario - IV

Mouriya & Co, registered under GST, is engaged in textile manufacturing business in the State of Tamilnadu. For the Financial year 2017-18, the due date of furnishing annual return in GSTR-9 was 07.02.2020. But their accountant submitted the same on 07.03.2020. No appeal or revision or investigation was faced for the said financial year by the firm.

They supplied Dhoties and Sarees to various State Government during the month of March 2024, details of which are as follows:

- (i) Supplied Sarees worth ₹ 2,80,000 including GST @ 12% to Government of Tamilnadu for Tamil New year distribution.

- (ii) Supplied Dhoties worth ₹ 3,00,000 excluding GST @ 12% to Government of Tamilnadu for Scheme distribution.
- (iii) Supplied both Sarees and Dhoties to Government of Andhra Pradesh for Telugu New Year, valued at ₹ 3,50,000 including GST @ 12% . The said supply was made to its Govt undertaking in Chennai, Tamilnadu. Invoice was issued to the Andhra Govt in Tirupati.

During the month of April 2024, the firm made wrong availment of excess ITC under IGST head for an amount of ₹ 1,00,000. During the time period starting from excess availment upto such reversal, the balance in credit ledgers of CGST, SGST and IGST were, ₹ 70,000, ₹ 20,000 and ₹ 20,000 respectively. The Firm identified the wrong availment and reversed the excess ITC availed.

Ignore break-up of tax rate between CGST/SGST/IGST for GST TDS purposes.

Based on the above information, choose the most appropriate answer for the questions **12-14**.

12. Mouriya & Co will be required to retain books of accounts and other records maintained under the provisions of the CGST Act, 2017 until _____
- (A) 31.03.2024
(B) 07.03.2025
(C) 07.02.2026
(D) 07.03.2026
13. Determine the Gross amount of TDS (Ignoring Break-up between CGST/SGST/IGST) which will be deducted by the recipients in respect of supplies made to various Govts.
- (A) ₹ 6,000
(B) ₹ 11,000
(C) ₹ 12,250
(D) ₹ 17,250
14. In respect of excess claim of ITC under IGST, the firm would be liable to pay interest on the excess availed IGST ITC amount of
- (A) ₹ Nil

- (B) ₹ 10,000
 (C) ₹ 80,000
 (D) ₹ 1,00,000

15. Mrs. Padmini, a renowned Kathak artist and a registered person under GST, provides the following information regarding the activities carried out by her during the month of June 2024.

Sr. No.	Particulars	Amount ₹
1.	Fees received for teaching Kathak	12,50,000
2.	Received from a TV channel for appearing in one of its Shows as Guest Anchor	2,75,000
3.	Received from the performance of Kathak	2,50,000
4.	Received from the performance of Fusion dance which includes both western and classical dance	1,45,000

Value of taxable supply of Mrs. Padmini for the month of June 2024 will be ₹ _____.

- (A) ₹ 2,75,000
 (B) ₹ 4,20,000
 (C) ₹ 6,70,000
 (D) ₹ 19,20,000
16. Alpha Way Industries, a registered person dealing in supply of taxable goods all over India, having an aggregate turnover of ₹ 6.75 Crore in the preceding Financial Year, is required to issue Tax Invoice with HSN Code of:
- (A) 4 digits for goods supplied to registered persons only (B2B)
 (B) 4 digits for goods supplied to registered as well as unregistered persons (B2B and B2C)
 (C) 6 digits for goods supplied to registered persons only (B2B)
 (D) 6 digits for goods supplied to registered as well as unregistered persons (B2B and B2C)

Answer Key

MCQ No.	Correct Option
1.	(B) or (D)
2.	(D)
3.	(C)
4.	(D)
5.	(A)
6.	(A)
7.	(C)
8.	(D)
9.	D
10.	Out of Syllabus
11.	C
12.	C
13.	C
14.	A
15.	C
16.	D

PART - II

SECTION A: INCOME TAX LAW

Question No.1 is compulsory.

Candidates are also required to answer any **two** questions from the remaining **three** questions.

Working notes should form part of the respective answers.

All questions relate to Assessment Year 2024-25, unless otherwise stated.

Question 1

Mr. Rohit, a resident individual, aged 65 years, is a qualified medical practitioner. He runs his own clinic. Income & Expenditure A/c of Mr. Rohit for the year ending March 31st 2024 is as under :

Expenditure	₹	Income	₹
To Salary to Staff	8,20,000	By Consultation Fees	22,00,000
To Administrative Expenses	5,90,000	By Salary received from Care Hospital Pvt. Ltd.	1,80,000
To Conveyance Expenses	24,000	By Rental Income from House Property	78,000
To Power & Fuel	24,000	By Dividend from Foreign Companies	10,000
To Interest on Housing Loan	1,00,000		
To interest on Education Loan for son	26,000		
To Amount paid to scientific research association approved & notified u/s 35	25,000		
To Net Profit	8,59,000		
Total	24,68,000	Total	24,68,000

Following is the further information relating to Financial Year 2023-2024:

- (i) He is working part-time with Care Hospital Pvt. Ltd. His Salary details are as under :

Basic Pay	₹ 13,000 p.m.
Transport Allowance	₹ 2,000 p.m.
Total	₹ 15,000 p.m.

Further, during P.Y. 2023-24 his son had undergone a medical treatment in Care Hospital Pvt. Ltd. free of cost. The hospital would have charged a sum of ₹ 1,00,000 for a similar treatment to unrelated patients.

- (ii) He owns a residential house. The ground floor of the house (50% portion) is self-occupied by him while first floor of the house (50% portion) has been rented out since 01/10/2023. The reconstruction of the entire house was started on 01.04.2023 and was completed on 30.09.2023. The monthly rent is ₹ 10,000. The tenant also pays ₹ 3,000 p.m. as power back-up charges. He took a housing loan of ₹ 12 lakhs on 01.04.2023. Interest on housing loan for the period 01.04.2023 to 30.09.2023 was ₹ 60,000 and for the period 01.10.2023 to 31.03.2024 was ₹ 40,000.

During the year, he also paid municipal taxes for the F.Y. 2022-23 ₹ 4,000 and F.Y. 2023-24 ₹ 6,000.

- (iii) Other Information:

- (a) Payment of salary of ₹ 25,000 per month to sister-in-law of Mr. Rohit, who was in-charge of the Accounts & Receivables department. However, in comparison to similar work profile, the reasonable salary at market rate is ₹ 20,000 per month.
- (b) Conveyance expenses include a sum of ₹ 12,000 incurred for conveyance from house to Care Hospital Pvt. Ltd. and vice-versa in relation to his employment.
- (c) Power and fuel expenses include a sum of ₹ 6,000 incurred for generator fuel for providing power back up to the tenant.
- (d) Administrative expenses include a sum of ₹ 10,000 paid as Municipal Taxes for his house.

(e) Clinic Equipment details are :

Opening W.D.V. of Clinic Equipment as on 01.04.2023 was ₹ 1,00,000 and fresh purchase made on 28.08.2023 for ₹ 25,000 which was paid in cash.

(f) He also paid tuition fees of ₹ 40,000 for his Grand Daughter, which is debited to his capital a/c.

(g) He availed a loan of ₹ 8,00,000 from bank for higher education of his son. He repaid principal of ₹ 50,000 and interest of ₹ 26,000 during P.Y. 2023-2024.

You are required to compute his net taxable income and net tax liability for the A.Y. 2024-25 if he has exercised the option of shifting out of the default tax regime provided under section 115BAC(1A).

Answer

Computation of net taxable income and net tax liability of Mr. Rohit for A.Y. 2024-25 under the normal provisions of the Act

	Particulars	₹	₹
I	Income from Salaries		
	Basic Pay (₹ 13,000 x 12)	1,56,000	
	Transport Allowance (₹ 2,000 x 12) [Fully taxable]	24,000	
	Cost of treatment for son in Care Hospitals Pvt. Ltd. [Exempt, since value of medical treatment provided to an employee's family member in any hospital maintained by the employer is excluded from the definition of perquisite]	<u>Nil</u>	
	Gross Salary	1,80,000	
	Less: Standard deduction u/s 16 [Actual salary or ₹ 50,000, whichever is less]	<u>50,000</u>	
	Net Salary	1,30,000	
	Less: Set off of loss from house property	<u>41,500</u>	
			88,500

II	Income from house property		
	Let out portion [First floor]		
	Gross Annual Value [Rent received is taken as GAV = ₹ 10,000 p.m. x 6 months]		60,000
	Less: Municipal taxes paid in the P.Y. 2023-24 pertaining to let out portion [(₹ 4,000 + ₹ 6,000)/2], allowable since it is paid during the year, even if it relates to earlier years		<u>5,000</u>
	Net Annual Value (NAV)		55,000
	Less: Deduction u/s 24		
	(a) 30% of ₹ 55,000	16,500	
	(b) Interest on housing loan [(₹ 60,000 (+) ₹ 40,000)/2]	<u>50,000</u>	<u>66,500</u>
			(11,500)
	Self-occupied portion [Ground Floor]		
	Annual Value		Nil
	Less: Deduction u/s 24		
	Interest on housing loan for reconstruction		
	₹1,00,000 [(₹ 40,000 + ₹ 60,000)/2] restricted to	<u>30,000</u>	<u>(30,000)</u>
	Loss from house property		(41,500)
III	Profits and gains of business or profession		
	Net profit as per Income and Expenditure account		8,59,000
	Add: Items of expenditure not allowable while computing business income		
	(a) Excessive salary paid to sister-in law [allowed, since sister-in law does not fall within the definition of relative]	Nil	

(b) Conveyance expenses in relation to her employment with Care Hospital Pvt. Ltd. debited to Income and Expenditure A/c, not allowed	12,000		
(c) Power and fuel expenses incurred for providing power back up to tenant not deductible	6,000		
(d) Municipal tax paid relating to residential house included in administrative expenses, not deductible	10,000		
(e) Interest on housing loan for reconstruction of residential house	1,00,000		
(f) Interest on education loan for son	<u>26,000</u>		
		<u>1,54,000</u>	
		10,13,000	
Less: Allowable expenditure			
Depreciation on Clinic equipments			
- On Opening WDV ₹ 1,00,000 @15%	15,000		
- On additions during the year ₹ 25,000, no depreciation is allowable, since payment was made in cash and hence, it will not form part of actual cost.	<u>Nil</u>		
		<u>15,000</u>	
		9,98,000	
Less: Items of income to be treated separately under the respective head of income			
(i) Salary received from Care Hospitals Pvt. Ltd.	1,80,000		
(ii) Rental income from house property	78,000		
(iii) Dividend from foreign companies	<u>10,000</u>		
		<u>2,68,000</u>	
			7,30,000

Note – Mr. Rohit, is a medical professional and if he claims that his profits and gains from profession are lower than ₹ 11,00,000 (50% of gross receipts i.e., ₹ 22,00,000) and his total income exceeds the maximum amount not chargeable to tax, he would be required to maintain books of accounts and get them audited from an accountant by virtue of section 44ADA(4).

IV Income from Other Sources

Power back up charges from tenant (₹ 3,000 p.m. x 6 months)	18,000		
Less: Actual expenditure incurred for providing power back up	<u>6,000</u>		
		12,000	
Dividend from foreign companies		<u>10,000</u>	
			<u>22,000</u>
Gross Total Income			8,40,500
Less: Deduction under Chapter VI-A			
Deduction under section 80C – Tuition fee paid for grand child is not allowable		Nil	
Deduction under section 80E - Interest on loan taken for higher education of her son is deductible		26,000	
Principal repayment of loan taken for education is not deductible		<u>Nil</u>	
			<u>26,000</u>
Total Income			8,14,500
Net tax liability			
Tax on total income of ₹ 8,14,500			
Up to ₹3,00,000		Nil	
₹ 3,00,001 – ₹ 5,00,000 [@5% of ₹ 2,00,000]		10,000	

₹ 5,00,000 – ₹ 8,14,500 [@20% of ₹ 3,14,500]		<u>62,900</u>	
Add: Health and education cess @4%			72,900
Net tax liability			<u>2,916</u>
Net tax liability (rounded off)			<u>75,816</u>
			75,820

Question 2

- (a) Mr. Paras has a proprietary business since P.Y. 2015-16. He has transferred this business on 01.04.2023 by way of a slump sale for a total consideration of ₹ 40 Lakh. The fair market value of his capital assets as on 01.04.2023 is ₹ 35 Lakh. He has incurred expenses for this deal of ₹ 1,50,000. His Balance Sheet as on 31.03.2023 is given below:

Liabilities	₹	Assets	₹
Own Capital	20,00,000	Building	18,00,000
Bank Loan	5,00,000	Debtors	5,00,000
Unsecured Loans	2,50,000	Machinery	5,00,000
Creditors	4,10,000	Other assets	3,60,000
	31,60,000		31,60,000

Other information :

- (1) Bank loan balance includes ₹ 2 lakh for personal purpose.
- (2) Machinery costing ₹ 50,000 has been allowed 100% as deduction u/s 35AD
- (3) Other assets include self-generated goodwill of ₹ 60,000.
- (4) Unsecured loans include ₹ 1 lakh for amount payable for the purchase of the ornaments of his wife.

Compute the capital gain/loss for the A.Y. 2024-25.

- (b) Mr. Ganesh whose Professional Receipts for the year ended 31.03.2023 were ₹ 1.25 crores has made payment to Mr. Rajesh (a Chartered Accountant) during P.Y. 2023-24 who has multi faced activities.

Examine whether TDS Provisions re applicable for following payments made by Mr. Ganesh to CA Rajesh :

- (i) Professional Fee for consultation - ₹32,450 on 15.06.2023 including GST paid @18%.
- (ii) Royalty Payment for Use of Computer Software by various clients of Mr. Rajesh - ₹2,50,000 on 03.03.2024.
- (iii) Fee for Technical services related to Business of Mr. Ganesh - ₹20,000 on 15.12.2023.
- (iv) Fees for teaching accountancy to his Son - ₹40,000 on 31.10.2023.

Answer

(a) Computation of capital gains on slump sale for A.Y. 2024-25

Particulars	₹
Full value of consideration [Higher of (i) FMV of capital assets on 1.4.2023 of ₹ 35 lakhs or (ii) FMV of Monetary consideration received of ₹ 40 lakhs]	40,00,000
Less: Expenses for transfer	<u>1,50,000</u>
	38,50,000
Less: Net worth (See Note below)	<u>21,90,000</u>
Long-term capital gain, since the business is held for more than 36 months [Indexation benefit not available]	16,60,000
Note - Computation of net worth	
Building ¹	18,00,000
Machinery ² [₹ 5,00,000 – ₹ 50,000, being the amount allowed as 100% as deduction u/s 35AD]	4,50,000
Debtors	5,00,000

¹ Assuming Balance Sheet values represent the written down value of building as per section 43(6)(c).

² Assuming Balance Sheet values represent the written down value of machinery as per section 43(6)(c).

Other assets (₹ 3,60,000 – ₹ 60,000, being the amount of self-generated goodwill)		3,00,000
Total assets		30,50,000
Less: Bank Loan (₹ 5,00,000 – ₹ 2,00,000, being loan for personal purpose)	3,00,000	
Unsecured Loan (₹ 2,50,000 – ₹ 1,00,000, being the amount payable for purchase of ornaments of his wife)	1,50,000	
Creditors	4,10,000	8,60,000
Net worth		21,90,000

(b) (i) Professional Fees for consultation

As per section 194J, tax is required to be deducted at source @10% on fees for professional services, if the amount paid exceeds ₹ 30,000.

In the present case, since the amount of professional fees of ₹ 27,500 (₹ 32,450 x 100/118) excluding GST is not exceeding ₹ 30,000, no tax is required to be deducted at source on such payment by Mr. Ganesh.

(ii) Royalty payment for use of computer software

No tax is deductible at source by Individuals and HUFs on royalty payment. Hence this payment is not liable for TDS under section 194J.

(iii) Fee for technical services related to business of Mr. Ganesh

As per section 194J, tax is required to be deducted at source 2% on fees for technical services, if the amount paid exceeds ₹ 30,000.

Since in the present case, the amount of fees for technical services of ₹ 20,000 is not exceeding ₹ 30,000, no tax is required to be deducted at source on such payment by Mr. Ganesh.

(iv) Fees for teaching accountancy to his son

No tax is required to be deducted at source u/s 194J in respect of fees for teaching, since it does not fall within the scope of professional services. Moreover, TDS also not required to be deducted at source since such fees is paid by Mr. Ganesh for his personal purposes.

Question 3

(a) (A) What is the meaning of Micro and Small Enterprise u/s 43B of Income Tax Act, 1961?

(B) Mr. Prem has following assets as on 01.04.2023 :

- (i) A machinery costing ₹ 4 lakh, which was used for scientific research related to business and deduction u/s 35 was allowed ₹ 40,000.
- (ii) A laptop received as a gift from his friend costing ₹ 60,000. It was purchased on 01.04.2022 by his friend.
- (iii) A temporary wooden structure costing ₹ 70,000 erected in Dec. 23 which was used for business purposes.

Compute the depreciation allowed on these assets for F.Y. 2023-24.

(b) Mr. X, age 83 years, a resident individual, gives the following particulars of his receipts for A.Y. 2024-25 :

1. Installment received from the bank under reverse mortgage arrangement	₹ 1,50,000
2. Interest on bank term deposits	₹ 2,00,000
3. Interest on bank saving a/c	₹ 45,000
4. Pension from Central Govt.	₹ 4,50,000
5. STCG on sale of dining table and chairs	₹ 1,00,000
6. Income from dairy farming on his rural agricultural land	₹ 50,000

Compute his total income and Income Tax thereon for A.Y. 2024-25 considering that assessee has opted out of Default tax regime.

Answer

(a) (A) For Manufacturing Enterprises and Enterprises rendering Services

Micro Enterprise - Investment in Plant and Machinery or Equipment ≤ ₹ 1 crore and Annual Turnover ≤ ₹ 5 crores.

Small Enterprise - Investment in Plant and Machinery or Equipment ≤ ₹ 10 crores and Annual Turnover ≤ ₹ 50 crores.

(B) Computation of Depreciation to Mr. Prem for P.Y. 2023-24

Particulars	Amount (₹)
Depreciation on machinery used for scientific research @15% on ₹ 3,60,000 [₹ 4,00,000, being actual cost – ₹ 40,000, being deduction allowed u/s 35]	54,000
Depreciation on laptop received as a gift @40% on ₹ 36,000 [₹ 60,000, being actual cost to previous owner – ₹ 24,000, being depreciation for P.Y. 2022-23 allowable to assessee if it was the only asset]	14,400
Depreciation on temporary wooden structure @40% x 50% on ₹ 70,000 [Since it is put to use for less than 180 days]	14,000
	82,400

(b) Computation of total income and tax liability of Mr. X for A.Y. 2024-25

	₹	₹
I Income from Salaries		
Pension from Central Government	4,50,000	
Less: Standard deduction u/s 16 [Actual salary or ₹ 50,000, whichever is less]	<u>50,000</u>	
		4,00,000
II Capital Gains		
STCG on sale of dining table and chairs [Not a capital asset since it is personal effects]		Nil
III Income from Other Sources		
Installment received under reverse mortgage [Exempt u/s 10(43)]	Nil	
Interest on bank term deposits	2,00,000	
Interest on bank saving a/c	45,000	
Income from dairy farming on agricultural land	<u>50,000</u>	
		<u>2,95,000</u>

Gross Total Income		6,95,000
Less: Deduction under section 80TTB		<u>50,000</u>
Total Income		6,45,000
Tax liability		
Up to ₹ 5,00,000	Nil	
₹ 5,00,001 – ₹ 6,45,000 [@20% of ₹ 1,45,000]	<u>29,000</u>	
		29,000
Add: Health and education cess @4%		<u>1,160</u>
Tax liability		30,160

Question 4

(a) Mr. Rakesh furnishes the following details for year ended 31.03.2024:

Particulars	₹
Short Term Capital Gain	2,80,000
Loss from Speculative Business	1,20,000
Long Term Capital Gain on Sale of Land	60,000
Long Term Capital Loss on Sale of shares (STT not paid)	2,00,000
Income From Business of Textile (after allowing current year Depreciation)	1,00,000
Income From Salary (Computed)	2,00,000
Loss from Let - Out House Property	80,000
Share of Loss from Firm	1,60,000
Investment in PPF	21,000
Medical Insurance Premium for self paid by Cheque	24,000
Preventive Health Check-up fees for wife paid by Cheque	5,000

Following are the Carry Forward Losses:

- Carry Forward Loss from Business of Textile ₹ 1,20,000 - this being the 8th year from the year of Loss.

Compute Total Income of Mr. Rakesh for the A.Y. 2024-2025 if he has exercised the option of shifting out of default tax regime provided under section 115BAC(1A). Also state the eligible Carry Forward losses.

- (b) (i) Which are all persons required to mandatorily file the Return of Loss as per section 80 of Income Tax Act, 1961.
- (ii) Consequences of Non-filing of Return of Loss in time

OR

- (b) (i) What is Belated Return u/s 139(4) of Income tax Act, 1961 and when it should be filed?
- (ii) Explain Non-Applicability of Updated Return u/s 139(8A)

Answer

(a) Computation of Total Income of Mr. Rakesh for the A.Y. 2024-25

	₹	₹
Income from Salary (computed)	2,00,000	
Less: Loss from let-out house property	<u>(80,000)</u>	1,20,000
Profit and gains of business or profession		
Income from textile business	1,00,000	
Less: Loss of ₹ 1,20,000 from textile business set-off to the extent of ₹ 1,00,000	<u>1,00,000</u>	Nil
Share of loss from firm - not allowed to be set-off		Nil
Capital Gain		
Short term capital gain		2,80,000
Long-term capital gain on sale of land	60,000	
Less: Long term capital loss of ₹ 2,00,000 on sale of shares set-off to the extent of ₹ 60,000	<u>60,000</u>	Nil
Balance loss of ₹ 1,40,000 to be carried forward to A.Y 2025-26		

Gross Total Income		4,00,000
Less: Deduction under Chapter VI-A		
- Under section 80C – Investment in PPF	21,000	
- Under section 80D – Medical insurance premium for self of ₹ 24,000 and preventive health checkup fees for wife of ₹ 5,000 restricted to	<u>25,000</u>	<u>46,000</u>
Total Income		3,54,000
Losses to be carried forward to A.Y. 2025-26		
Loss from speculative business Loss from speculation business cannot be set-off against any income other than profit and gains of another speculation business. Such loss can, however, be carried forward to A.Y. 2025-26 as per section 73(4) for set-off against income from speculation business of that year.		1,20,000
Long term capital loss on sale of shares Balance loss cannot be set-off against short term capital gain or against any other head of income. The same has to be carried forward for set-off against long-term capital gain of the subsequent assessment year.		1,40,000
Balance brought forward loss of ₹ 20,000 from textile business Such business loss cannot be carried forward since business loss can be carried forward for a maximum of eight assessment years immediately succeeding the assessment year for which the loss was first computed and A.Y. 2024-25, is the eighth year.		

(b) First Alternative

- (i) As per section 80, a person having the following losses is required to mandatorily file return of loss u/s 139(3) on or before the due date specified u/s 139(1) for the purpose of carry forward of such losses -
- Business loss u/s 72(1)
 - Speculation business loss u/s 73(2)

- (c) Loss from specified business u/s 73A(2) [In case assessee has exercised the option of shifting out of the default tax regime provided under section 115BAC(1A)]
 - (d) Loss under the head "Capital Gains" u/s 74(1)
 - (e) Loss from the activity of owning and maintaining race horses u/s 74A(3).
- (ii)** If the return of loss is not filed within the time allowed u/s 139(1) then, the following losses cannot be carried forward –
- (a) Business loss u/s 72(1)
 - (b) Speculation business loss u/s 73(2)
 - (c) Loss from specified business u/s 73A(2) [In case assessee has exercised the option of shifting out of the default tax regime provided under section 115BAC(1A)]
 - (d) Loss under the head "Capital Gains" u/s 74(1)
 - (e) Loss from the activity of owning and maintaining race horses u/s 74A(3)

(b) Second Alternative

- (i) A belated return is a return which is not furnished within the time allowed under section 139(1) but furnished at any time -
 - (i) before three months prior to the end of the relevant assessment year (i.e., 31.12.2024 for P.Y. 2023-24); or
 - (ii) before the completion of the assessment, whichever is earlier.
- (ii) The provisions of updated return would not apply, if the updated return of such person for that assessment year –
 - (i) is a loss return; or
 - (ii) has the effect of decreasing the total tax liability
 - (iii) results in refund or increases the refund due

Part-II**SECTION B: GOODS AND SERVICES TAX**

1. For Part-II, Section -B comprises of questions from 5-8. In Section B, answer question no. 5 which is compulsory and any two questions from question nos. 6-8.
2. Working notes should form part of the answer.
3. All questions in Section- B should be answered on the basis of position of GST law as amended by Finance Act, 2023 and the significant notifications/ circulars issued upto 30th June, 2024.

Question 5

- (a) Galaxy Cube Private Ltd., a registered person in Bharuch, Gujarat, engaged in various lines of business, provided the following details regarding its transactions made during the month of May 2024:

Outward / Inward Transactions:	Amount ₹
Supplied a latest technology laptop with touch screen option to Managing Director's friend (Open market value as well as sale to unknown customers was at ₹ 90,000)	60,000
Supplied printed letter cards to M K Industries, a registered person in Gandhinagar, Gujarat. Logo design was supplied by M K Industries. Out of ₹ 5,00,000, Materials cost was ₹ 4,00,000 and balance was Printing cost.	5,00,000
Provided services of transportation of passengers by an Omnibus through an Electronic Commerce Operator (ECO).	12,58,000
Provided catering services to Excel University of Patna, Bihar, which is recognized by UGC for granting recognised qualification	2,12,000
Made supply of goods in the territorial waters to Blue Waters Inc., registered in the State of Maharashtra. Such place of territorial water was at a distance of 5 nautical miles to the baseline of coastal State of Gujarat and 7 nautical miles to the baseline of coastal State of Maharashtra.	4,50,000
Purchased goods from DK & Co., a registered composition dealer.	3,35,000

Additional Information :

- (i) During the course of filing invoices, accountant identified an invoice dated 31.03.2024, issued by Mr. Mahajan, whose residential house was taken on rent for MD of the company for his residential use. Invoice was for ₹ 50,000 (excluding tax). No payment has been made for this invoice.
- (ii) All the figures given above are exclusive of GST.
- (iii) All inward and outward supplies are intra-state except where details of place of recipient are given.
- (iv) Subject to the information given above, all the conditions necessary for availing the ITC have been fulfilled.
- (v) GST Rates are as follows:

Particulars	CGST	SGST	IGST
Supply of Goods	6%	6%	12%
Supply of Services	9%	9%	18%

Compute the net minimum GST payable in cash by Galaxy Cube Private Ltd. for the month of May 2024. **(10 Marks)**

- (b) Gamma Multiplex registered in the State of Punjab, gives the following offers for booking movie tickets :

Sr. No.	Particulars	Price Charged (excluding GST)
1	Tickets only	₹ 200 per person
2	Combo offer	₹ 350 per person (which includes ₹ 200 for ticket and ₹ 150 for snacks)
3	Snacks only	₹ 250 per token (snacks quantity will be more when compared to combo offer)

For the month of April 2024, Gamma Multiplex situated in Punjab made the following supplies :

- (i) 10,000 tickets under combo offer
- (ii) 2,500 tickets only

(iii) 1,000 tokens of snacks only

GST rates applicable are:

Rate of GST	CGST	SGST	IGST
Supply of Snacks	2.5%	2.5%	5%
Supply of service of exhibition of cinema	9%	9%	18%

You are required to determine the following, by explaining the relevant provisions :

- (i) Rate of GST to be applied when combo supply is made
- (ii) Rate of GST to be applied when snacks are sold in Multiplex
- (iii) Gross GST payable by Gamma Multiplex for the month of April, 2024.

(5 Marks)

Answer

- (a) (i) Computation of output tax liability of Galaxy Cube Pvt. Ltd. for May, 2024**

Particulars	Value (₹)	CGST (₹)	SGST (₹)	IGST (₹)
<u>GST payable under forward charge</u>				
Supply of laptop to Managing Director's Friend [Since supply is made to an unrelated person (Managing Director's friend not being a related person) and price is the sole consideration, value of supply is the transaction value i.e. the price actually paid or	60,000	3,600 [60,000 × 6%]	3,600 [60,000 × 6%]	

payable for the said supply.]				
Supplied printed letter cards to M K Industries [Since letter cards are supplied by the printer using its own physical inputs to print the logo supplied by the recipient, it is a composite supply wherein the predominant/principal supply is supply of goods. It is an intra-State supply since the place of supply is Gujarat being the location where movement of goods terminates.]	5,00,000	30,000 [5,00,000 X 6%]	30,000 [5,00,000 X 6%]	
Transportation of passenger services by an omnibus provided through electronic commerce operator (ECO) [Tax on transportation of passengers services by an omnibus provided through ECO by a company is not a notified service under section 9(5) of the CGST Act, 2017 and hence tax is payable by Galaxy Cube Private Ltd. and not by the ECO since the person supplying	12,58,000	1,13,220 [12,58,000 X 9%]	1,13,220 [12,58,000 X 9%]	

such service through ECO is a company.]				
<p>Catering services to Excel University</p> <p>[Taxable/Not exempt since catering services are exempt only when such services are provided to an educational institution providing services by way of pre-school education & education up to higher secondary school or equivalent.</p> <p>In this case, catering services are provided to an educational institution providing education as a part of a curriculum for obtaining a qualification recognized by any law. Thus, same are taxable.</p> <p>Further, it is an inter-State supply since place of supply is Patna being the place of performance of services.]</p>	2,12,000	-	-	38,160 [2,12,000 X 18%]
<p>Supply of goods in territorial waters</p> <p>[Where supply is in the territorial waters, the place of supply is deemed to be in the coastal State where the nearest point of the appropriate baseline is located, viz.</p>	4,50,000	27,000 [4,50,000 X 6%]	27,000 [4,50,000 X 6%]	

Gujarat in the given case. Hence, supply will be intra-State supply of goods.]				
Total GST payable under forward charge		1,73,820	1,73,820	38,160
<u>Less: Eligible ITC</u>				
Goods purchased from composition dealer [ITC is not available since input tax does not include the tax paid under the composition levy and a composition supplier does not collect tax from the recipients. Also, ITC on inward supplies received from a composition supplier is blocked.]		-	-	-
Residential house taken on rent for MD [ITC is available as said services are used in course or furtherance of business.]		(4,500) [50,000 X 9%]	(4,500) [50,000 X 9%]	
Net GST		1,69,320	1,69,320	38,160
Add: GST payable under reverse charge [Tax on renting of residential dwelling to a registered person is payable by such registered person under reverse charge, IN CASH		4,500 [50,000 X 9%]	4,500 [50,000 X 9%]	

since ITC can only be utilized for paying the output tax. Further, GST liability on said services arises in the month of May since time of supply is 31.05.2024, being earliest of (i) date of payment or (ii) 61 st day from the date of issue of invoice by supplier.]				
Minimum net GST payable in cash		1,73,820	1,73,820	38,160

- (b) (i) The combo supply of cinema tickets and snacks is a composite supply wherein the entire supply will attract GST at the rate applicable to service of exhibition of cinema being the principal supply.

Further, it is an intra-State supply since the place of supply is Punjab¹.

Thus, in the given case, rates of GST to be applied are 9% CGST and 9% SGST.

- (ii) Supply of snacks is an individual supply.

Further, it is an intra-State supply since the place of supply is Punjab².

Thus, the applicable rates of GST are 2.5% CGST and 2.5% SGST.

¹ as the place of supply of services supplied to unregistered persons with no address on records is location of the supplier.

² as the place of supply of goods supplied to unregistered persons over the counter with no address on records is location of the supplier.

(iii) **Computation of Gross GST payable by Gamma Multiplex for April, 2024**

S. No.	Particulars	GST Rate (%)	Value (₹)	CGST (₹)	SGST (₹)
1.	Supply of combo offer [10,000 X ₹ 350]	9	35,00,000	3,15,000	3,15,000
2.	Supply of tickets only [2,500 X ₹ 200]	9	5,00,000	45,000	45,000
3.	Supply of snacks only [1,000 X ₹ 250]	2.5	2,50,000	6,250	6,250
	Total GST payable by Gamma Multiplex			3,66,250	3,66,250

Question 6

(a) *Nootan Ltd., a registered person in Indore, Madhya Pradesh, provides details of the following transactions carried out during the month of June 2024:*

Sr. No.	Particulars	Amount in ₹
1.	<i>Paid remuneration to Mr. Madan, for the services rendered by him in the capacity of Director. Company deducted TDS under section 192 (Salary) and 194J (Professional or Technical services) of Income-Tax Act, 1961. Gross payments made were ₹ 8,50,000 and ₹ 11,50,000 respectively for Salary and Professional services. (Intra-State supply)</i>	20,00,000
2.	<i>Paid rent to Indian Railways, registered in Madhya Pradesh, for its property located in the same State, which was taken on lease by the company.</i>	1,25,000
3.	<i>Paid to XYZ Security Private Limited, for providing security services to its warehouses across the State. Security agency is not registered under GST.</i>	5,35,000
4.	<i>Paid fee to Local Municipal corporation for renewal of the company's factory License for the financial year 2024-2025.</i>	4,800

Additional Information:

- (i) All above figures are exclusive of taxes, wherever applicable.
- (ii) Assume the rate of GST as 18%, 9% and 9% for IGST, CGST/SGST respectively.
- (iii) Turnover of Nootan Limited for the preceding financial year was ₹ 67 lakh.

You are required to compute the GST payable by Nootan Limited under Reverse Charge basis for the month of June 2024. Reason for the treatment of each item should form part of the answers. **(5 Marks)**

- (b) Determine the Place of Supply for the following independent cases, by briefly stating the relevant provisions :
- (i) Marxy Pharmaceuticals, registered under GST at Jaipur, Rajasthan hires Sargam Events LLP, registered under GST at Sagar, Madhya Pradesh for its annual event to be held in Gandhinagar, Gujarat.
- (ii) PSL Ltd., a registered person in Chandigarh, Punjab orders from CMR Ltd., a registered person in Ranchi, Jharkhand for delivery of goods to MHT Ltd., a registered person in Ranchi, Jharkhand.

You are required to determine PoS for both of the above supplies made by CMR Ltd. as well as PSL Ltd. **(5 Marks)**

Answer**(a) Computation of GST Payable by Nootan Limited under reverse charge**

S. No.	Particulars	CGST (₹)	SGST (₹)
1.	Remuneration paid to Mr. Madan [₹ 11,50,000 × 9%] [(i) Remuneration paid to director for professional services subjected to TDS under section 194J of the Income-tax Act is outside the scope of Schedule III of the CGST Act, 2017 and tax is payable under reverse charge by the recipient company – Nootan Ltd.	1,03,500	1,03,500

	(ii) However, salary of ₹ 8,50,000 paid to director subjected to TDS under section 192 of the Income-tax Act is not taxable since services provided by an employee to employer in course of or in relation to his employment are outside the scope of supply in terms of Schedule III of the CGST Act, 2017. Thus, the same is neither supply of goods nor supply of services]		
2.	Paid rent to Indian Railways [Tax on renting of immovable property services provided by Indian Railways is not payable under reverse charge.]	Nil	Nil
3.	Security services received [Tax on security services is not payable under reverse charge since supplier is a body corporate.]	Nil	Nil
4.	Paid fee to Local Municipal Corporation [Not taxable/Exempt since the consideration for the services provided by local authority does not exceed ₹ 5,000.]	Nil	Nil
	Total GST payable by Nootan Ltd. under reverse charge	1,03,500	1,03,500

- (b) (i) The place of supply of services provided to registered person by way of organization of a cultural, artistic, sporting, scientific, educational or entertainment event or services related to such event shall be the location of the recipient.

Accordingly, place of supply is Jaipur, Rajasthan.

- (ii) In case of 'Bill to Ship to' supply model, where goods are delivered by supplier to recipient at the direction of a third person, the place of supply is the principal place of business of such third person.

Accordingly, in case of supply made by CMR Ltd., the place of supply is Chandigarh, Punjab.

The place of supply involving movement of goods will be their location at the time when the movement of goods terminates for delivery to the recipient.

Accordingly, in case of supply made by PSL Ltd., the place of supply is Ranchi, Jharkhand.

Question 7

- (a) *Rameshwar Industries is engaged in the manufacturing semi-conductors in the State of Assam. It makes only intra-State outward supplies.*

Following details have been made available by Rameshwar Industries:

<i>Date of commencement of business</i>	<i>March 14, 2024</i>
<i>Date when turnover exceeded ₹ 10 lakh</i>	<i>March 29, 2024</i>
<i>Date when turnover exceeded ₹ 20 lakh</i>	<i>April 15, 2024</i>
<i>Date when turnover exceeded ₹ 40 lakh</i>	<i>April 28, 2024</i>
<i>Date, of application for registration as per the provisions of Section 22 of the CGST Act, 2017</i>	<i>May 15, 2024</i>
<i>Date of issuance of certificate of registration</i>	<i>May 29, 2024</i>

Based on the above information, You are required to determine the following by briefly stating the relevant provision,

- (i) Effective date of registration of Rameshwar Industries*
- (ii) Period for which revised tax invoice can be issued*
- (iii) Timeline within which such revised tax invoice is to be issued.*

(5 Marks)

- (b) *Write a short notes on:*

- (i) Rectification of errors / omissions in respect of returns filed u/s 39 of the CGST Act, 2017.*
- (ii) Exception to the rectification*
- (iii) Time-limit for making such rectification.*

(5 Marks)

Answer

- (a) (i) Where an applicant submits application for registration within 30 days from the date he becomes liable to registration, effective date of registration is the date on which he becomes liable to registration.

Rameshwar Industries became liable to registration on 28th April, 2024 when its turnover exceeded the applicable threshold limit of ₹ 40 lakh (since it is engaged exclusively in supply of goods). Since it applied for registration within 30 days, the effective date of registration is 28th April, 2024.

- (ii) Revised tax invoices can be issued against the invoices already issued during the period starting with the effective date of registration till the date of issuance of certificate of registration. Therefore, in the given case, Rameshwar Industries can issue the revised tax invoices against the invoices already issued during the period beginning with 28th April, 2024 till 29th May, 2024.
- (iii) Revised tax invoices are to be issued within 1 month from the date of issuance of certificate of registration i.e. within 1 month from 29th May, 2024 i.e. upto 29th June, 2024.

(b) (i) Rectification of errors/omissions

Omission or incorrect particulars discovered in the returns filed under section 39 can be rectified in the return to be filed for the tax period during which such omission or incorrect particulars are noticed.

Any tax payable as a result of such error or omission will be required to be paid along with interest.

(ii) Exception to the rectification

Rectification of error or omission discovered on account of scrutiny, audit, inspection or enforcement activities by tax authorities is not permitted.

(iii) Time limit for making such rectification

The maximum time limit within which the rectification of errors/omissions is permissible is earlier of the following dates:

- (a) 30th day of November following the end of the financial year to which such details pertain or
- (b) Actual date of filing of the relevant annual return

Question 8

- (a) *CBIC has issued a recent clarification on Time of Supply in respect of supply of services of construction of road and maintenance thereof of National Highway Projects of National Highway Authority of India (NHAI) in Hybrid Annuity Mode (HAM) model. Briefly discuss the said clarification. (5 Marks)*

OR

- (a) *Explain briefly about the exemption available under the CGST Act, 2017 in respect of services provided by an Old Age Home. (5 Marks)*
- (b) (i) *Rule 138E of CGST Rules, 2017 prohibits certain persons to furnish the information in Part A of Form GST EWB-01 in respect of any outward movement of goods of a registered person. List the said persons. (2 Marks)*
- (ii) *List any six State taxes that were subsumed in the GST regime.*

(3 Marks)

Answer

- (a) Since in HAM model of NHAI, periodical payments are spread over the contract period in the form of installments, it is a 'continuous supply of services'.

It has been clarified by CBIC vide a circular that the time of supply of services under HAM contract, including construction and operation and maintenance portion, should be:

- (I) in case where the invoice is issued on or before the specified date (due date of payment) or the date of completion of the event specified in the contract, as applicable:
- (a) date of issuance of invoice
 - or
 - (b) date of receipt of payment
- whichever is earlier.

(II) in case where invoices are not issued on or before the specified date (due date of payment) or the date of completion of the event specified in the contract:

(a) date of provision of the said service (i.e., the due date of payment as per the contract)

or

(b) date of receipt of the payment

whichever is earlier.

(a) Alternative

Services by an old age home run by Central Government, State Government or an entity registered under section 12AA or 12AB of the Income-tax Act, 1961 to its residents (aged 60 years or more) against consideration up to ₹ 25,000 per month per member, provided that the consideration charged is inclusive of charges for boarding, lodging and maintenance.

(b) (i) As per rule 138E of the CGST Rules, 2017, following persons (including a consignor, consignee, transporter, an e-commerce operator or a courier agency) shall not be allowed to furnish the information in Part A of Form GST EWB-01 in respect of any outward movement of goods of a registered person:

(a) A composition supplier who has not furnished the Statement for payment of self-assessed tax (Form GST CMP-08) for 2 consecutive quarters.

(b) A person paying tax under regular scheme has not furnished the returns for a consecutive period of 2 tax periods.

(c) A person paying tax under regular scheme has not furnished Statement of Outward Supplies (Form GSTR-1) for any 2 months or quarters.

(d) A person whose registration has been suspended under the GST law.

- (ii) Following are the State taxes that were subsumed in the GST regime:
- (a) State surcharges and cesses in so far as they relate to supply of goods & services.
 - (b) Entertainment Tax (except those levied by local bodies)
 - (c) Tax on lottery, betting and gambling
 - (d) Entry Tax (All Forms)
 - (e) Purchase Tax
 - (f) VAT/ Sales tax
 - (g) Luxury Tax
 - (h) Taxes on advertisements