

EKATVAM ACADEMY
DT TEST PAPER 12 : EXEMPTION, AMT, ADVANCE TAX
CA/CMA INTER (25 Marks)

Question 1 [5 marks]

Rudra Ltd. has one unit at Special Economic Zone (SEZ) & other unit at Domestic Tariff Area (DTA). The company provides the following details for the PY 2024-25.

Particulars	Rudra Ltd. (₹)	Unit in DTA (₹)
Total Sales	6,00,00,000	2,00,00,000
Export Sales	4,60,00,000	1,60,00,000
Net Profit	80,00,000	20,00,000

Calculate the eligible deduction u/s 10AA of the Act, for the AY 2025-26, in the following situations:

- (i) If both the units were set up and start manufacturing from 22-05-2016.
- (ii) If both the units were set up and start manufacturing from 14-05-2018.

Question 2 [5 marks]

State with reasons in brief whether the following statements are true or false with reference to the provisions of the Income-tax Act, 1961:

- (i) Exemption is available to a Sikkimese individual, only in respect of income from any source in the State of Sikkim.
- (ii) Pension received by a recipient of gallantry award is exempt from tax.
- (iii) Mr. A, a member of a HUF, received ₹ 10,000 as his share from the income of the HUF. The same is to be included in his chargeable income.
- (iv) Voluntary contributions received by charitable trusts, universities and educational institutions are not taxable as the definition of income in sec 2(24) does not cover the same.
- (v) Compensation on account of disaster received from a local authority by an individual or his/her legal heir is taxable.

Question 3 [4 marks]

Briefly discuss the provisions relating to payment of advance tax on income arising from capital gains and casual income.

Question 4 [7 marks]

Mr. Bhagat, an individual aged 50 years, set up a unit in SEZ in FY 2017-18 for the production of computers. The unit fulfils all the conditions of sec 10AA of the Income-tax Act, 1961. During FY 2023-24, he set up a hospital in a district of Maharashtra with 110 beds for patients. It fulfils all the conditions of sec 35AD. Capital expenditure in respect of the said hospital amounted to ₹ 65 lakhs (comprising of cost of land ₹ 15 lakhs and the balance was the cost of construction of building). The hospital became operational with effect from 1st April, 2024 and the expenditure of ₹ 65 lakhs was capitalized in the books of accounts on that date. Relevant details for FY 2024-25 are as follows:

Particulars	₹ in Lakhs
Profit of unit located in SEZ	36
Export sales of SEZ unit	75

Domestic sales of SEZ unit	25
Profit from operation of hospital facility (before considering deduction u/s 35AD)	90

Compute the income-tax (including AMT u/s 115JC and AMT credit, if any, u/s 115JEE) payable by Mr. Bhagat for AY 2025-26 under regular provisions of the Income-tax Act i.e. ignoring provisions of sec 115BAC. Ignore marginal relief, if any.

Question 5 [4 marks]

Mr. Rajesh has income of ₹45 lakhs under the head "PGBP". One of his businesses is eligible for deduction @ 100% of profits u/s 80-IB for AY 2025-26. The profit from such business included in the business income is ₹ 20 lakhs. Compute the tax payable by Mr. Rajesh, assuming that he has no other income during the PY 2024-25 assuming he has not opted for sec 115BAC.