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III Semester M.Com. (Regular) Degree Examination, March/April - 2025**COMMERCE****Corporate Tax Planning (Elective)****(CBCS Scheme)****Paper : 3.5****Time : 3 Hours****Maximum Marks : 70****SECTION - A****Answer any Seven questions out of Ten. Each question carries Two marks. (7×2=14)**

1. a. Define Tax Planning, how does it differ from Tax Management?
- b. State the applicability of the provisions of section 40A(3)?
- c. Mention the deductions applicable u/s 35ABB.
- d. Mention the due date for TDS payment.
- e. What is previous year in the context of Income Tax Act?
- f. What is tax holiday?
- g. What is Terminal Depreciation?
- h. State the reason for introduction of MAT u/s 115 JB.
- i. What is the deduction u/s 30?
- j. What is a Block of Asset? State the basis of creating such blocks.

SECTION - B**Answer any Four questions out of Six. Each question carries Five marks. (4×5=20)**

2. Explain the provisions of Depreciation under Section 32.
3. Discuss in detail the provisions of Set off and carry forward of Losses under Income Tax Act, 1961.
4. Write a note on the treatment of excess or deficit on sale of asset chargeable to depreciation under WDV method under Block of Asset concept u/s 32(1)(ii).
5. Explain the best judgement assessment u/s 144 of IT Act 1961.
6. The Book profits of a company in the PY 2023-24 computed in accordance with section 115JB are Rs. 60,00,000. If the total income computed as per provisions of the IT Act 1961 is Rs. 12,00,000. Calculate the tax payable by the company in the AY 2024-25 and also include whether the company is eligible for any tax credit.

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7. Draw a schedule of advance tax payable by A Ltd., if its estimated tax liability, initially was INR 6,00,000; on 30th Sept 2023 revised it to INR 9,50,000 and finally on 10th Jan 2024 reviewed and revised to 8,20,000.

SECTION - C

Answer any Two questions out of Four. Each question carries Twelve marks.

(2×12=24)

8. X Ltd., is engaged in the business of manufacture of LED bulbs since 2020. The Company provides details of assets as on 1.4.2023. The following assets are acquired and put to use:

Rate of Depreciation	Block 1	Block 2	Block 3
	Bldg 10%	P&M 15%	P&M 40%
Number of assets in the block	1	18	4
Depreciated value of the block on 1/4/2023	47,54,500	25,66,250	1,41,250
Additions of Assets (new) during the PY 2023-24			
Factory Shed	8,14,250		
Moulding Machine		4,10,000	
Pollution Control Equipment			2,24,250
Sale of old assets (one machine each)		5,07,250	4,10,500

Factory Shed was acquired on 10th May, 2023 and put to use on the same day.

Moulding Machine was acquired during May 2023 and put to use during September 2023.

However, Pollution Control Equipment which is also acquired during May 2023 is put to use during the last week of March 2024.

From the following compute:

- Normal Depreciation and Additional Depreciation, if any for Assessment year 2024-25.
- Depreciated value of the blocks on April 1st 2024.

Also, comment on the Capital Gain or Loss arising from sale of the assets, if any.

9. Decide which one is a better alternative - lease or buy, in the following situation:

Tax rate - 22%

Cost of capital - 12%

Depreciation rate (Income tax) - 15% (eligible for additional depreciation)

Lease rent INR 3,40,000 p.a. for 5 years payable at the beginning of every year.

Purchase Price - INR 20,00,000 - payable in 2 equal instalments at the beginning of the first 2 years.

Salvage Value - INR 1,00,000

Present value of Re. 1 discounted @ 12% is as follows:

Year 1 = 0.893, Year 2 = 0.797, Year 3 = 0.712, Year 4 = 0.636, Year 5 = 0.567

Make any other suitable assumption, if necessary.



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10. Compute the total income for the AY 2024-25 of Deepak Pvt. Ltd., a domestic company, from the following details:

Particulars	Amount
Profits and gains of business or profession	80,000
Income from other sources	10,000
Long term capital gains	5,00,000
Donation to National Foundation for communal harmony	4,000
Donation to the fund set up by the Gujarat Government for providing relief to victims of earthquake in Gujarat	5,000
Donations to PM drought relief fund	5,000
Donations to approved charitable Institutions	12,000
Donations to Central Govt for promotion of family planning	3,000
Donation to a poor boy for higher education	10,000
Donation of cloth to an approved institution worth	12,000
Donation to charitable institution for construction of home for a particular community	8,000

11. Compute tax payable by R Ltd., for various assessment years from the following details assuming the regular tax rate is 30% for all years and the MAT rate, surcharge and cess are the same for all years as that of current year.

AYs	Income as per regular provision	Book profit u/s 115 JB
2016 - 17	8,40,000	30,00,000
2017 - 18	10,80,000	60,00,000
2018 - 19	35,40,000	50,00,000
2019 - 20	6,60,000	25,00,000
2020 - 21	30,00,000	30,00,000
2021 - 22	70,00,000	80,00,000
2022 - 23	1,10,00,000	1,30,00,000
2023 - 24	80,00,000	1,40,00,000

SECTION - D

(Skill Based Question)

Answer the following question.

(1×12=12)

12. Following is the Profit and Loss A/c of XYZ Ltd., an Indian Company for the year ending 31.03.2024.

Particulars	Amount	Particulars	Amount
To Raw materials consumed	20,00,000	By Sale	
To Rent	5,00,000	Export	50,00,000
To Salaries and Wages	10,00,000	Domestic	30,00,000

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To Depreciation	5,00,000	By Closing Stock	10,00,000
To Provision for contingencies	75,000		
To Wealth tax for earlier years	50,000		
To Loss of subsidiary company	50,000		
To Customs duty	40,000		
To Proposed dividend	1,00,000		
To Provision for tax	1,05,000		
To Net Profit	45,80,000		
Total	90,00,000	Total	90,00,000

Additional Information:

1. Interest on bank loan relating to the year 2022-23 has been paid during the previous year Rs. 1,00,000.
2. Whole of customs duty is unpaid.
3. Company is entitled to get deduction u/s 80G Rs. 1,00,000.
4. For the purpose of income tax, depreciation is Rs. 40,000.
5. Turnover of the company during the previous years was Rs. 65 crores and it is lifetime highest turnover achieved by the company.
6. In the past few years, company had suffered losses following balances are still unabsorbed:

Particulars	As per Income Tax Act	As per books of accounts
Depreciation	--	3,50,000
Losses	42,50,000	4,00,000

Calculate:

1. Total income of the company under normal provisions.
 2. Book profit and tax liability as per section 115JB.
 3. Tax Liability of the Company.
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