



Roll No.

**PRESIDENCY UNIVERSITY
BENGALURU**

SCHOOL OF LAW

MID TERM EXAMINATIONS

Sem & AY: Odd Sem.2019-20

Date: 23.10.2019

Course Code: LAW 414

Time: 9:30AM to 11:30AM

Course Name: INTERNATIONAL TAXATION

Max Marks: 60

Program & Sem: BBA. LL.B. (Hons.) & IX

Weightage: 30%

Instructions:

- i. Answer all the Questions.

Part A [Memory Recall Questions]

Answer all the Questions. Each Question carries four marks. (4Qx4M=16M)

1. Mr Ghanshyam a Indian citizen is planning to leave to Sweden in the year 2020, for employment. He requires your advice as to when he should leave India so that he is considered as a Non Resident under the Indian Income Tax Act for the PY 2020-21. (C.O.NO.1) [Comprehension]
2. What is meant by 'Place of Effective Management' with respect to a Corporate Assesse? Elucidate. (C.O.NO.1) [Knowledge]
3. What is Jurisdictional Double Taxation? Give an example. (C.O.NO.3) [Knowledge]
4. When can a claim be made for Unilateral Relief u/s 91 of Income Tax Act? List out the conditions. (C.O.NO.3) [Knowledge]

Part B [Thought Provoking Questions]

Answer all the Questions. Each Question carries six marks. (4Qx6M=24M)

5. State the conditions that a Company need to satisfy, for it to be considered to have engaged in Active Business outside India? (C.O.NO.1) [Knowledge]
6. It is said that the quantum of tax levied on any person in a country depends upon his residential status. In this regard, discuss the scope of total income under the provisions of Indian Income Tax Act. (C.O.NO.1) [Comprehension]

7. Mrs Hana a non resident purchased 5000 shares of an Indian Company at Rs 140 per share on 30th June 2010 by using USD. These shares were sold by her for Rs 620 on 31st March 2019. The Telegraphic Transfer Buy and Sell rates of State Bank of India for these dates were Rs 50/Rs 54 and Rs 70/73. Compute the Capital Gains for the AY 2019-20 assuming that the Long Term Capital Gains are not covered u/s 112A. (C.O.NO.2) [Application]
8. During the FY 2018-19, Mr Chris Lloyd a Cricketer and a West Indian citizen participated in India in a cricket series in India and was paid Rs 20 lacs. He also contributed certain articles in local news paper for which he was paid Rs 2 lacs. He also acted in a Pepsi Advertisement campaign for which he was paid Rs 5 lacs. He has spent Rs 4 lacs for his travel in India. From the information, compute the tax liability of Mr Chris for the AY 2019-20 and also state if he is required to file his tax returns. (C.O.NO.2) [Application]

Part C [Problem Solving Questions]

Answer both the Questions. Question carries ten marks. (2Qx10M=20M)

9. Mr Nathuram aged 40 years, is a resident in India. For the PY 2018-19, he has the following incomes:
- a) Income from Business in India Rs 14 lacs
 - b) Rental Income from house property in Greece, Rs 5 lacs for which municipal tax paid was Rs 50000.
 - c) Net Royalty from Book publisher of Rs 4 lacs earned and received in Kenya. (Eligible for Sec80QQB Deduction)
- Assuming that the tax rate in Greece is 10% and in Kenya is 15%, and that India does not have DTAA with neither of the countries, compute the tax liability of Mr Nathuram for the AY 2019-20. (C.O.NO.3) [Application]
10. Mr Jing a non resident is engaged in shipping business and has opted for presumptive taxation u/s 44B. For the PY 2018-19, he provides the following information:
- a. Receipts of Rs 40 lacs for goods shipped from Chennai and Rs 2 lacs for demurrage and handling charges in India.
 - b. Rs 80 lacs for shipping goods from Singapore, which was received there.
 - c. Rs 50 lacs for shipping goods from Malaysia, the amount which was received in India.
 - d. He incurred an expenditure of Rs 4 lacs in India for his shipping business.
 - e. He had a brought forward loss of Rs 2 lacs from manufacturing business in India.

Compute the tax liability of Mr Jing for the AY 2019-20.

(C.O.NO.2) [Application]



SCHOOL OF LAW

Semester: Odd Sem 2019-20

Course Code: LAW 414

Course Name: International Taxation

Date:

Time:

Max Marks: 60

Weightage: 30

Extract of question distribution [outcome wise & level wise]

Q.NO	C.O.NO	Unit/Module Number/Unit /Module Title	Memory recall type [Marks allotted] Bloom's Levels			Thought provoking type [Marks allotted] Bloom's Levels			Problem Solving type [Marks allotted]			Total Marks
			K			C			A			
1	1	1					4					4
2	1	1		4								4
3	3	3		4								4
4	3	3		4								4
5	1	1		6								6
6	1	1					6					6
7	2	2							6			6
8	2	2							6			6
9	3	3							10			10
10	2	2							10			10
	Total Marks			18			10		32			60

K = Knowledge Level C = Comprehension Level, A = Application Level

Note: While setting all types of questions the general guideline is that about 60%

Of the questions must be such that even a below average students must be able to attempt, About 20% of the questions must be such that only above average students must be able to attempt and finally 20% of the questions must be such that only the bright students must be able to attempt.

I hereby certify that all the questions are set as per the above guidelines.

[Dr K Krishna Kumar]

Reviewer's Comments:

Annexure- II: Format of Answer Scheme



SCHOOL OF LAW

SOLUTION

Semester: IX Sem BBA LLB

Course Code: LAW414

Course Name: International Taxation

Date:

Time: 2 Hours

Max Marks: 60

Weightage: 30

Part A

(4Q x 4M = 16Marks)

Q No	Solution	Scheme of Marking	Max. Time required for each Question
1	As per Sec 6 and its Exception, An Indian Citizen individual assessee who is leaving India for employment outside, is said to be resident in any previous year, if he has been in India during the previous year for a total period of 182 days or more. So in case he leaves India on or before 28 th September of any PY, he would be considered a Non Resident.	Statement of Law – 2 Marks Application – 2 Marks	5 Minutes
2	A Company is said to be a Resident in India in any previous year, if : i) it is an Indian Company; or ii) its place of effective management (POEM) in that year, is in India Place of effective management is a place where key management and commercial decisions, necessary for the conduct of business as a whole are, in substance made. POEM shall not be applicable if the turnover or gross receipts of the company, in a financial year, is not greater than ₹ 50 Crs.	Statement of Law – 2 Marks Other Points – 2 Marks	5 Minutes

3	<p>When tax is imposed on the same person and transaction by two countries as per their domestic tax laws (based on Residence and Source Rule), it is called 'jurisdictional double taxation'.</p> <p>.IG Company is a resident in India and has a branch in UK. India is the country of residence and UK is the country of source. UK would tax the profits of the branch whereas IG Company would be taxed for its worldwide income including the UK branch. This is jurisdictional double taxation.</p>	<p>Answer – 2 Marks Example – 2 Marks</p>	5 Minutes
4	<p>It is a relief provided where there is no DTAA, between the country of residence and country of source. It is a relief provided by the country of residence of the taxpayer under its domestic tax laws. Unilateral relief is available all the below conditions are fulfilled:</p> <ol style="list-style-type: none"> 1) Assesse is a tax resident in India 2) Income accrues or arises outside India 3) Assesse subjected to income tax paid in the foreign country 4) There is no DTAA with the foreign country 		5 Minutes

Part B

(4Q x 6M = 24Marks)

Q No	Solution	Scheme of Marking	Max. Time required for each Question
5	<p>In order to determine whether the POEM is in India or outside India, we need to first determine whether the company is engaged in Active Business in India or outside India.</p> <p>A Company is said to be engaged in 'active business outside India' if the passive income is not more than 50% of its total income; and</p> <ol style="list-style-type: none"> i) less than 50% of the assets are situated in India; ii) less than 50% of the total employees are situated in India or are resident in India; iii) the payroll expense incurred on such employees is less than 50% of the total payroll expenditure. 	Per condition 2 Marks	15 Minutes
6	Scope of Total Income of an assessee, depends upon the residential status.	ROR , RNOR, NR each 2 marks	15 Minutes

Incidence of Tax		Individuals and HUF				
Particulars of Income	Incidence of Tax			ROR	RNOR	NR
	ROR	RNOR	NR			
Income received or deemed to be received in India	Yes	Yes	Yes			
Income accrued or deemed to accrue or arise in India	Yes	Yes	Yes			
Income received and accrued outside India from a Business controlled or profession set up in India	Yes	Yes	No			
Income received and accrued outside India from a Business or Profession controlled from outside India	Yes	No	No			
7		Rs	\$			
	5000	140	700000	13461.54		
	5000	620	3100000	43356.64		
		Gain		29895.1		
	Taxable Cap Gains	2092657				
8	Tax on Non Resident Sportsmen – Sec 115BBA Applies to non resident sportsman, who is a foreign citizen. The following incomes shall be taxable at 20%: a) Income from participation in any game (other than winnings from crossword puzzles, races including horse races) or sport; or b) Income from advertisements; or c) Income from contribution of articles relating to any game or sport.			Law 2 marks Steps 2 Marks Correct Answer 2 Marks		15 Minutes
		Lacs				
	Participation			20		
	Articles			2		
	Advertisement			5		
				27		
	Income Tax Payable			5.4		

Part C

(2Q x 10M = Marks)

Q No	Solution	Scheme of Marking	Max. Time required for each Question
9	Income from Business Income from House Property Rent	14 Correct Answer 2 Marks	20 Minutes
		Lacs	
		5	

	Less : Municipal Tax	0.5		
	Net Annual Value	4.5		
	Less: Std. Ded Sec 24	1.35		
	Inocme from HP		3.15	
	Royalty		4	
	Gross Total Income		21.15	
	Less: Ded u/s 80QQB		3	
	Taxable Income		18.15	
	Tax			
		12500		
		100000		
		244500		
	Income Tax	357000		
	Add : Cess	14280		
	Total Tax Payable		371280	
	Average Rate of Tax		20.5%	
	Unilateral Relief u/s 91			
	Greece	31500		
	Kenya	15000	46500	
	Balance Tax Payable		324780	
10	<ul style="list-style-type: none"> • Presumptive Tax u/s 44B Presumptive provisions depend on whether the non resident is engaged in a) Regular Business b) Casual Business • In case of Regular Business, Section 44B applies. • A non resident engaged in business of operation of ships, may opt for presumptive taxation. • Profits and gains would be 7.5% of the aggregate of specified receipts . • No deduction of expenditure would be allowed in computing presumptive income. • Assesse shall be entitled to carry forward and set off of loss as per normal provisions. • Deduction under Chapter VI A would be available. 		Section 2 Marks Steps 6 Marks Correct Answer 2 Marks	20 Minutes
		Lacs.		
	Indian Receipts		40	
	Indian Receipts		2	
	Indian Receipts		4	
	Total		46	
	Less: Carry Forward Loss		2	
	Taxable Income		44	
	Tax		330000	



Roll No																			
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**PRESIDENCY UNIVERSITY
BENGALURU**

SCHOOL OF LAW

END TERM FINAL EXAMINATION

Semester: Odd Semester: 2019 - 20

Course Code: LAW 414

Course Name: INTERNATIONAL TAXATION

Program & Sem: BBA.LLB., & IX

Date: 28 December 2019

Time: 1:00 PM to 4:00 PM

Max Marks: 80

Weightage: 40%

Instructions:

(i) Read the all questions carefully and answer accordingly.

Part A [Memory Recall Questions]

Answer all the Questions. Each Question carries 5 marks. (4Qx5M=20M)

1. When is an Individual considered as a Non Resident for the purposes of taxation as per the Income Tax Act? (C.O.No.1) [Knowledge]
2. State the provisions of Section 115BBA of the Income Tax Act, pertaining to Taxation of Non Resident Sportsmen. (C.O.No.2) [Knowledge]
3. What is Economic and Jurisdictional Double Taxation? Give examples. (C.O.No.3) [Knowledge]
4. What is Advance Ruling? State who can obtain such rulings. (C.O.No.4) [Knowledge]

Part B [Thought Provoking Questions]

Answer all the Questions. Each Question carries 10 marks. (3Qx10M=30M)

5. Explain the provisions of Advance Price Agreements and its applicability. (C.O.No.4) [Comprehension]
6. Ms Madhuri, a resident individual, is an Odissi Dancer. She derived an income of Rs. 2 Lacs from shows performed outside India. Tax on which Rs 25,000 was deducted at source in the country where the performance was given. India does not have any double tax avoidance agreement with that country. Her income in India amounted to Rs. 6,00,000. Compute tax liability of Ms Madhuri for the assessment year 2019-20 assuming she has deposited Rs. 50,000 in Public Provident Fund and paid Rs. 35,000 as medical insurance premium in respect of her father (aged 70 years). From the information, estimate the tax liability (C.O.No.3) [Comprehension]
7. Mr Jack s is a Non Resident and engaged in shipping business. During the PY 2018-19, he collects the following freight:
 - a) .Rs 60 lacs for shipping goods from Chennai port, collected in India. He along with it also collects Rs 80000 towards Demurrage and Rs 60000 for Handling charges.
 - b) Rs 30 lacs for shipping goods from Singapore port and received there.
 - c) Rs 20 lacs for shipping goods from Malaysian port, and freight paid in India.

He incurred an expense of Rs 6 lacs in India for Shipping business. He also has a brought forward loss of Rs 1 Lac from manufacturing business in India. Using the above information, assess the Tax Liability of Mr Jack, assuming that he opts for Sec 44B.

(C.O.No.2) [Comprehension]

Part C [Problem Solving Questions]

Answer both the Questions. Each Question carries 15 marks.

(2Qx15M=30M)

8. AX Ltd. Austria holds 30% shares of AY India. AY India Ltd. imports 2500 towel dispensers from AX Ltd. Austria at a price of Rs. 3,800 per unit and these are sold to Taj Residency at a price of Rs. 4,800 per unit. AY India Ltd. has bought similar products from another vendor M/s Good Industries Ltd. and sold to Marriott Hotels at a gross profit of 14% on sales. AX Ltd Austria offers a quantity discount of Rs. 100 per unit whereas Good Industries Ltd. does not offer any such quantity discount. AY India incurred freight expenses of Rs. 150 and customs of Rs. 250 per unit in case of purchases made from AX Ltd. Austria. Using the above information:

a) Compute the Arm's Length Price using the Resale Price Method. [10 M]

b) Determine how does the Arm's Length Price affects AY India Ltd's Taxable Income? [2 M]

c) Comment if the Resale Method adopted, is the right approach for calculating the Arms' Length Price in the given transaction. [3 M]

(C.O.No.4) [Application]

9.

a) Rajasthan Royals Ltd. utilized the services of Mr Gary Stokes a British Cricketer for playing league matches for a team sponsored by the company. He was paid a sum of Rs 25 Lacs for playing the matches. In addition Rajasthan Royals also paid him a sum of Rs 6 lacs for appearing for an advertisement. Mr Gary Stokes incurred an expenditure of Rs 2 lacs for earning the above mentioned income. Rajasthan Royals also used the services of Mr Brian Lasa an ex cricketer from London as a Match Referee. For being a Match Referee, Mr Brain Lasa was paid Rs 5 Lacs. Both Mr Gary Stokes and Mr Brain Lasa intended to avail the special provisions applicable for Non Residents. The Managing Director of Rajasthan Royals wants to know about the obligation to deduct tax at source u/s 115BBA, from the payments to be made to the aforesaid persons. You are required to advise accordingly.

[8 M] (C.O.No.2) [Application]

b) IH Ltd. incorporated in Thailand is a 100% subsidiary of an Indian Company. The business of IH Ltd. is to source raw material from Thailand to the Indian Company. All Assets of IH Ltd. are situated in Thailand. IH Ltd. has a total of 50 employees of which 47 are located in Thailand. Only the Managing Director, Chief Executive Officer and Sales Head are resident in India. The total payroll expenditure on these 50 employees is Rs 5 Crs of which the payroll expenditure relating to MD, CEO and Head Sales is Rs 3 Crs. The average income breakup of the company for the last 3 years shows that the Passive Income of the Company is above 50%. Considering the above, you are required to ascertain if the Company is engaged in Active Business Outside India.

[7 M] (C.O.No.1) [Application]



SCHOOL OF LAW

END TERM FINAL EXAMINATION

Extract of question distribution [outcome wise & level wise]

Q.NO	C.O.NO (% age of CO)	Unit/Module Number/Unit /Module Title	Memory recall type	Thought provoking type	Problem Solving type	Total Marks
			[Marks allotted] Bloom's Levels	[Marks allotted] Bloom's Levels	[Marks allotted]	
			K	C	A	
1	1	Module 1	5	0	0	5
2	2	Module 2	5	0	0	5
3	3	Module 3	5	0	0	5
4	4	Module 5	5	0	0	5
5	4	Module 4	0	10	0	10
6	3	Module 3	0	10	0	10
7	2	Module 2	0	10	0	10
8	4	Module 4	0	0	15	15
9(a)	2	Module 2	0	0	8	8
9(b)	1	Module 1	0	0	7	7
Total Marks			20	30	30	80

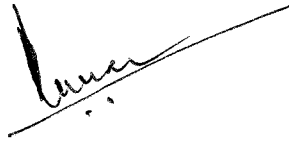
K = Knowledge Level C = Comprehension Level, A = Application Level

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I hereby certify that all the questions are set as per the above guidelines.

Faculty Signature:



Reviewer Comment:

Format of Answer Scheme



SCHOOL OF LAW

SOLUTION

Semester: Odd Sem. 2019-20

Course Code: LAW 414

Course Name: INTERNATIONAL TAXATION

Program & Sem: BBA.,LLB., & IX

Date: 28.12.2019

Time: 1:00 PM to 4:00 PM

Max Marks: 80

Weightage: 40%

Part A

(4Q x 5M = 20Marks)

Q No	Solution	Scheme of Marking	Max. Time required for each Question
1	<p>An individual assessee is said to be resident in any previous year, if he satisfies any one of the following conditions:</p> <ul style="list-style-type: none">(i) he has been in India during the previous year for a total period of 182 days or more; or(ii) he has been in India during the 4 years immediately preceding the previous year for a total period of 365 days or more and has been in India for at least 60 days in the previous year. <p>If none of the above condition is satisfied, the individual shall be treated as Non Resident.</p>	Based on Content	10 Min
2	<p>Section 115BBA applies to non resident sportsman, who is a foreign citizen.</p> <p>The following incomes shall be taxable at 20%:</p> <ul style="list-style-type: none">a) Income from participation in any game (other than winnings from crossword puzzles, races including horse races) or sport; orb) Income from advertisements; orc) Income from contribution of articles relating to any game or sport.	Based on Content	10 Mins

3	<p>When tax is imposed on the same person and transaction by two countries as per their domestic tax laws (based on Residence and Source Rule), it is called 'jurisdictional double taxation'.</p> <p>Eg. IG Company is a resident in India and has a branch in UK. India is the country of residence and UK is the country of source. UK would tax the profits of the branch whereas IG Company would be taxed for its worldwide income including the UK branch.</p> <p>When the same income/ transaction is taxed in the hands of two different persons, it is called 'economic double taxation'.</p> <p>Eg. Tax on surplus distributed by a company, is taxed in the hands of the company as profits and then on distribution, in the hands of the shareholders as dividends.</p>	Based on Content	10 Mins
4	<p>Sections 245N to 245V of the Income Tax Act provides for the scheme. It is in respect of transactions involving non-residents and specified residents. It is a written opinion or authoritative decision with regard to the tax consequences of a transaction or proposed transaction or its assessment. It is a method to avoid tax litigation and promote better tax payer relations by a procedure which is simple, inexpensive, expeditious and authoritative.</p> <p>Advance ruling can be obtained by:</p> <ol style="list-style-type: none"> a) a non resident b) a resident undertaking or proposing to undertake a transaction with a non resident in relation to the tax liability of the non resident. c) a resident who has undertaken or propose to undertake one or more transactions of value of Rs 100 Crs or more in total. d) a notified public sector company. e) any person to decide whether an arrangement proposed to be undertaken is an impermissible avoidance arrangement. 	What = 2.5 Marks Who = 2.5 Marks	10 Mins

Part B

(3Q x 10M = 30 Marks)

Q No	Solution	Scheme of Marking	Max. Time required for each Question																												
5	<p>It is provided by Sec 92CC of the Income Tax Act. It is an agreement between the tax payer and CBDT. Under the agreement the following can be determined:</p> <p style="padding-left: 40px;">a) Arm's Length Price of future or existing inter company transactions; b) Manner of determining Arm's Length Price</p> <p>It is with regard to a specific tax payer and applicable for a particular period as defined by the agreement not exceeding five consecutive previous years.</p> <p>Once the agreement is entered into, the arm's length price is determined only in accordance with the agreement. The agreement is binding on the tax payer and the income tax authorities.</p> <p>APA shall not be binding on either the applicant or the income tax authorities if there is a change in law or any change in facts.</p>	<p>What = 7 Marks Applicability = 3 Marks</p>	20 Minutes																												
6	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Foreign Income</td> <td align="right">200000</td> </tr> <tr> <td>Indian Income</td> <td align="right">600000</td> </tr> <tr> <td>Gross Total Income</td> <td align="right">800000</td> </tr> <tr> <td>Less:</td> <td></td> </tr> <tr> <td>Sec 80C</td> <td align="right">50000</td> </tr> <tr> <td>Sec 80 D</td> <td align="right">35000</td> </tr> <tr> <td>Taxabl Income</td> <td align="right">715000</td> </tr> <tr> <td>Total Tax Payable</td> <td align="right">57720</td> </tr> <tr> <td> </td> <td></td> </tr> <tr> <td>Rate of Tax</td> <td align="right">8%</td> </tr> <tr> <td> </td> <td></td> </tr> <tr> <td>Tax @8% on Foreign Income</td> <td align="right">16000</td> </tr> <tr> <td> </td> <td></td> </tr> <tr> <td>Tax on Indian Income</td> <td align="right">41720</td> </tr> </table>	Foreign Income	200000	Indian Income	600000	Gross Total Income	800000	Less:		Sec 80C	50000	Sec 80 D	35000	Taxabl Income	715000	Total Tax Payable	57720			Rate of Tax	8%			Tax @8% on Foreign Income	16000			Tax on Indian Income	41720	Based on Steps	20 Minutes
Foreign Income	200000																														
Indian Income	600000																														
Gross Total Income	800000																														
Less:																															
Sec 80C	50000																														
Sec 80 D	35000																														
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Rate of Tax	8%																														
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Tax on Indian Income	41720																														
7	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Indian Income</td> <td align="right">6140000</td> </tr> <tr> <td>Indian Income (Received)</td> <td align="right">2000000</td> </tr> <tr> <td>Total</td> <td align="right">8140000</td> </tr> <tr> <td>Taxable Income @7.5%</td> <td align="right">610500</td> </tr> <tr> <td>Less: B/f Loss</td> <td align="right">100000</td> </tr> <tr> <td>Taxable Income</td> <td align="right">510500</td> </tr> </table>	Indian Income	6140000	Indian Income (Received)	2000000	Total	8140000	Taxable Income @7.5%	610500	Less: B/f Loss	100000	Taxable Income	510500	Based on Steps	15 Minutes																
Indian Income	6140000																														
Indian Income (Received)	2000000																														
Total	8140000																														
Taxable Income @7.5%	610500																														
Less: B/f Loss	100000																														
Taxable Income	510500																														

Part C

(2Q x 15M = 30Marks)

Q No	Solution	Scheme of Marking	Max. Time required for each Question																											
8	<table border="0" style="width: 100%;"> <tr> <td style="width: 10%;"></td> <td>Resale Price of goods purchased from Associated Enterprise</td> <td align="right">4800</td> </tr> <tr> <td></td> <td>Less; Normal Gross Profit Margin @ 14%</td> <td align="right">672</td> </tr> <tr> <td></td> <td>Less: Expenses connected (Freight & Customs)</td> <td align="right">400</td> </tr> <tr> <td></td> <td>Less: Quantity Discount</td> <td align="right">100</td> </tr> <tr> <td>a)</td> <td>Arms Length Price</td> <td align="right">3628</td> </tr> <tr> <td></td> <td>Price Charged by AX Ltd</td> <td align="right">3800</td> </tr> <tr> <td></td> <td>Excess Charged</td> <td align="right">172</td> </tr> <tr> <td>b)</td> <td>Amount of Income Understated</td> <td align="right">430000</td> </tr> <tr> <td>c)</td> <td colspan="2">It is appropriate as it is for distributors not performing significant value addition to product</td> </tr> </table>		Resale Price of goods purchased from Associated Enterprise	4800		Less; Normal Gross Profit Margin @ 14%	672		Less: Expenses connected (Freight & Customs)	400		Less: Quantity Discount	100	a)	Arms Length Price	3628		Price Charged by AX Ltd	3800		Excess Charged	172	b)	Amount of Income Understated	430000	c)	It is appropriate as it is for distributors not performing significant value addition to product		Based on Steps	30 Minutes
	Resale Price of goods purchased from Associated Enterprise	4800																												
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b)	Amount of Income Understated	430000																												
c)	It is appropriate as it is for distributors not performing significant value addition to product																													
9	<p>a) Gary Stokes can avail benefit u/s 115BBA TDS is 20%. Mr Brain Lasa will not be considered as a sports person and so subject to normal taxation and TDS.</p> <p>b) IH Ltd is not engaged in Active Business Outside India as more than 50% of the payroll expense is incurred in India.</p>	Based on Content and decision	30 Minutes																											

