

**Mock Test Paper - Series I: March, 2025**

**Date of Paper: 12<sup>th</sup> March, 2025**

**Time of Paper: 10 A.M. to 1 P.M.**

**INTERMEDIATE COURSE: GROUP-I**

**PAPER – 3: TAXATION**

**Time Allowed – 3 Hours**

**Maximum Marks – 100**

**SECTION – A: INCOME TAX LAW (50 MARKS)**

*Working Notes should form part of the answer. Wherever necessary, suitable assumptions may be made by the candidates and disclosed by way of a note. However, in answers to Questions in Division A, working notes are not required.*

*The relevant assessment year is A.Y.2025-26.*

**Division A – Multiple Choice Questions**

**Write the most appropriate answer to each of the following multiple choice questions by choosing one of the four options given. All questions are compulsory.**

1. Manisha is a research scholar pursuing her PhD. She is unmarried and her parents are living in Ahmedabad, Gujarat. Her parental grandparents and other family relatives are staying in South Africa. She was in India with her parents till May 2020. After then, she went to London for further education. In October 2023, she returned to India. On 28<sup>th</sup> March 2024, she travelled out of India to Johannesburg, in South Africa, for her research project and Khadi business exhibitions. She returned on 1<sup>st</sup> October 2024 to participate in the 155<sup>th</sup> Birth Anniversary Celebrations of Mahatma Gandhi. In this connection, she attended numerous events held all over India, while also holding exhibitions for her textile business in 'Khadi - the fabric that breathes, the livery of freedom' - as showcased by Mahatma Gandhi. She won accolades and awards, gifts and donations in the course of showcasing her work. You have been provided with the following data in respect of her receipts and income for the F.Y. 2024-25

<b>S. No.</b>	<b>Details</b>	<b>Amount (₹)</b>
1.	Scholarship for pursuing her research work	4,80,000
2.	Gross receipts from exhibitions held in South Africa in collaboration with the leading Fashion House	10,00,000
3.	Gross receipts from exhibitions held in India	12,00,000
4.	Gross receipts from sale of Honey in the exhibitions in India	1,05,000

5.	Gross receipts from sale of Handmade Khadi designer fashion accessories and other Khadi stationery products	2,25,000
6.	Gift from father's sister whom she visited in Johannesburg, South Africa	51,000
7.	Cash gifts received from friends in 'Gandhi Gujarat Seva Samaj' with whom she stayed while in Johannesburg, South Africa.	27,000
8.	Received share of income from the HUF	22,000
9.	Cost of material for exhibitions held in South Africa and India - ₹ 12,00,000; Cost of Handmade Khadi designer fashion accessories and other Khadi stationery products - ₹ 1,00,000; Other eligible Business expenses - ₹ 4,00,000; Cost of Honey purchased for sale in the exhibitions in India – ₹ 55,000.	
10.	Mr. Patel of South Africa gave her a cheque of ₹ 5,00,000 favouring 'Gandhi Smarak Trust' as donation to the Trust. She was requested to hand over the cheque to the Trust's office at Ahmedabad.	

**Notes:**

1. Manisha does not manufacture any of the Khadi products. She sourced all the Khadi materials, accessories, products and honey from suppliers of such items.
2. All financial transactions are carried out in account payee cheques and TDS has been deducted, wherever applicable.
3. Her paternal grandfather is the Karta of the family HUF. Her paternal grandfather comes on visit in India for 6 months every year since 2014. The HUF is managed outside India and all decisions regarding the HUF are made outside India.
4. Manisha has opted out of the default tax regime under section 115BAC.

From the information given above, choose the most appropriate answer to the following questions –

- (i) What is the residential status of HUF for the A.Y. 2025-26?
  - (a) Resident and ordinarily resident
  - (b) Resident but not ordinarily resident
  - (c) Non-resident
  - (d) Deemed resident

- (ii) Determine the taxability of gift received by Manisha from her father's sister and from her friends in 'Gandhi Gujarat Seva Samaj' for the A.Y. 2025-26?
- (a) ₹ 51,000 will be exempt as it is a gift received from a relative. ₹27,000 received as cash gifts from her friends would not be taxable as all her friends are non-residents.
- (b) ₹ 51,000 will be taxed as "Income from other sources" as father's sister is not a relative. ₹27,000 received as cash gifts from friends will also be taxable as the total gifts from non-relatives during the A.Y. 2025-26 exceeds ₹ 50,000.
- (c) ₹ 51,000 will be exempt as it is a gift received from a relative. ₹ 27,000 received as cash gifts from friends will be taxed as amount is paid in cash and is received from non-residents.
- (d) ₹ 51,000 will be exempt as it is a gift received from a relative. ₹ 27,000 received as cash gifts from friends will not be taxable as the total gifts received from non-relatives during the A.Y. 2025-26 does not exceed ₹ 50,000.
- (iii) What would be the total income of Ms. Manisha for A.Y. 2025-26 if she wishes to maximize tax savings?
- (a) ₹12,55,000
- (b) ₹8,02,000
- (c) ₹1,51,800
- (d) ₹7,75,000 **(3 x 2 = 6 Marks)**

2. Mrs. Ritu is a retired Government employee. She was born on 01.04.1942 in India. She is residing in Delhi. She stayed with her elder son Mr. Nakul from 1<sup>st</sup> May, 2024 to 15<sup>th</sup> October, 2024, who is residing in Australia. She stayed in India for 361 days during the 4 previous years preceding the previous year 2024-25. During the previous year 2024-25, pension of ₹ 7,15,461 is credited in her account with State Bank of India, Uttam Nagar Branch, Delhi after deducting tax at source of ₹ 14,565. She received interest of ₹ 4,352 on her saving A/c with SBI during the previous year 2024-25. She also received interest of ₹ 67,500 (Net of TDS) on Fixed Deposits with Canara Bank in the month of April, 2024.

She has purchased two life insurance policies for her son Mr. Yuvaan and married daughter Mrs. Kajal, the details of which are as follows:

Person insured	Policy purchased on	Date of payment of premium	Sum Assured	Premium paid
Mr. Yuvaan (50 years old)	15.10.2020	23.10.2024	₹ 9,84,655	₹ 1,00,388
Mrs. Shobha (45 years old)	20.09.2020	25.09.2024	₹ 2,00,000	₹ 17,000

She has taken medical insurance for herself for which she paid an amount of ₹ 35,000 towards health insurance premium by A/c payee cheque. She incurred ₹ 7,500 towards preventive health check-up of herself and her husband in cash. She also incurred medical expenditure of ₹ 25,000 in cash in the month of January 2025 for her husband. In the month of March 2025, she incurred medical expenditure of ₹ 10,500 for herself, which is paid by account payee cheque. She has given a wristwatch of ₹ 10,000 on her husband's 85<sup>th</sup> birthday. Her husband is resident in India for the P.Y. 2024-25.

Based on the facts of the case scenario given above, choose the most appropriate answer to the following questions:

- (i) What would be the amount of deduction under Chapter VI-A available to Mrs. Ritu for the A.Y. 2025-26?
- (a) ₹ 2,05,466  
(b) ₹ 2,08,466  
(c) ₹ 2,07,388  
(d) ₹ 2,18,466
- (ii) What would be the Gross total income of Mrs. Ritu for the A.Y. 2025-26 under normal provisions of the Act?
- (a) ₹ 7,87,313  
(b) ₹ 8,04,878  
(c) ₹ 7,59,378  
(d) ₹ 8,09,378

(iii) What would be the total income of Mrs. Ritu for the A.Y. 2025-26, if she pays tax under section 115BAC?

(a) ₹ 7,34,380

(b) ₹ 8,01,880

(c) ₹ 7,87,310

(d) ₹ 8,09,380

**(3 x 2 = 6 Marks)**

3. In P.Y. 2024-2025, Mr. Arun has transferred the following long term capital assets:

<b>Asset transferred</b>	<b>Full Value of Consideration (₹)</b>	<b>Cost of Acquisition (₹)</b>	<b>Transfer Date</b>
Residential house property	8 crores	6 crores	25.11.2024
Jewellery	3 crores	2 crores	05.01.2025

Mr. Arun bought a new residential house property on 01.04.2023 for ₹ 1 crore and on 28.02.2025 deposited ₹ 3 crores in a capital gains deposit account scheme. On 01.05.2025, Mr. Arun has withdrawn ₹ 3 crores from capital gains deposit account and acquired a residential house property worth ₹ 2.5 crore. What would be the capital gains in the hands of Mr. Arun for A.Y. 2025-26, if the expenses in connection with transfer of jewellery were ₹ 2,00,000?

(a) ₹ 80,50,000

(b) ₹ 81,55,705

(c) ₹ 98,00,000

(d) ₹ 48,00,000

**(2 Marks)**

4. While deciding liability of an individual to deduct tax on payment of fees for professional services, which of the following is immaterial -

(a) Amount paid to professional

(b) Turnover of financial year immediately preceding financial year in which payment made

(c) Turnover of financial year in which payment is made

(d) Amount of fees for professional services

**(1 Mark)**

## Division B – Descriptive Questions

Question No. 1 is compulsory

Attempt any **two** questions from the remaining **three** questions

1. Mr. Brajesh has set up a unit in SEZ in May, 2017. The total turnover, export turnover and net profit for the year ended 31.3.2025 were ₹ 120 lakhs, ₹ 45 lakhs and ₹ 7.50 lakhs respectively. Out of the export turnover of ₹ 45 lakhs, only ₹ 40 lakhs has been received in convertible foreign exchange by 30.9.2025.

During the P.Y. 2024-25, Mr. Brajesh has commenced a business of warehousing facility for storage of food grain. The net profit of this business as per profit & loss account is ₹ 8,50,000. The following items are debited to Profit & Loss Account:

- (i) Personal drawings ₹ 70,000
- (ii) Advance income-tax paid ₹ 1,00,000
- (iii) Purchase of warehouse building of ₹ 10 lakhs on 10.6.2024 for the purpose of storage of food grain.

The following items are credited to Profit & Loss account:

- (i) Interest on saving bank account with post office ₹ 15,000
- (ii) Interest on fixed deposit with SBI ₹ 20,000
- (iii) Dividend from Indian companies (Gross) ₹ 32,000

Mr. Brajesh is also a working partner in M/s Neelkamal Associates, a partnership firm. Mr. Brajesh has contributed ₹ 15 lakhs as capital in the firm. Further, Partnership deed authorises payment of interest to partners @ 13% and also payment of remuneration to partners @ ₹ 20,000 per month. Whole of the remuneration is allowable as deduction to M/s Neelkamal Associates.

Mr. Brajesh has also paid the premium of ₹ 60,000 on life insurance policy in the name of her married daughter. The policy was taken on 1.10.2018 and the sum assured being ₹ 5,00,000.

Compute the total income and tax payable by Mr. Brajesh for the A.Y. 2025-26 under default tax regime and normal provisions of the Act. **(15 Marks)**

2. (a) Mrs. Smita, an Indian citizen, is in employment with an overseas company located in UAE. She is not liable to tax in UAE. During the P.Y. 2024-25, she comes to India for 121 days. She was in India for 50 days, 100 days, 76 days and 145 days in the financial years 2020-21, 2021-22, 2022-23 and 2023-24, respectively. Her annual income for the previous year 2024-25 is as follows:

	Particulars	Amount (₹)
(i)	Salary accrued or arisen in UAE	15,00,000
(ii)	Income accrued and arisen in India	2,00,000
(iii)	Income deemed to be accrued and arisen in India	7,00,000
(iv)	Income arising and received in UAE, from a business set up in India	5,00,000
(v)	Life Insurance premium paid by cheque in India	1,00,000

Mrs. Smita wants to pay tax under default tax regime under section 115BAC. From the information given above, you are required to determine the residential status and total income of Mrs. Smita for the A.Y. 2025-26. **(6 Marks)**

(b) Examine & explain the TDS implications in the following cases along with reasons thereof, assuming that the deductees are residents and having a PAN which they have duly furnished to the respective deductors.

(i) Akash (P) Limited pays the following amounts to Mr. Santosh during previous year 2024-25:

- a. ₹ 22,000 towards fee for professional services
- b. ₹ 18,000 towards royalty.

(ii) Payment of ₹ 1,75,000 made to Mr. Ankit for purchase of bag according to specifications of M/s. Packaging Limited. However, no material was supplied for such bag by M/s. Packaging Limited or its associates to Mr. Ankit. **(4 Marks)**

3. (a) Mr. Rishabh, a salaried employee in a private company, provides you with the following information for the year ended on 31-03-2025:

- (i) Basic salary ₹ 75,000 p.m.
- (ii) From 1st February 2025, basic salary increased to 85,000 p.m.
- (iii) Dearness allowance @50% of basic salary (40% of D.A. forms part of salary for retirement benefits).
- (iv) Contribution of employer to recognized provident fund account of the employee @18% of basic salary. Employees also contribute an equivalent amount.
- (v) Professional tax paid ₹ 2,200 of which ₹ 1,800 was paid by the employer.
- (vi) House rent allowance of ₹ 16,000 p.m. He paid rent of ₹ 17,000 p.m. for accommodation in Bangalore.

- (vii) Loan of ₹ 2,00,000 was taken from the employer on 1.7.2024 for medical treatment of his brother for tuberculosis treatment. Interest charged on such loan is 5%. The entire loan is outstanding as on 31.3.2025. No medical insurance has been taken for his brother. SBI rate of interest on 1.4.2024 was 11%.
- (viii) Leave travel concession given to Rishabh, his wife and three children (one daughter aged 6 and twin sons aged 4). Cost of air tickets (economy class) reimbursed by the employer ₹ 20,000 for adults and lumpsum of ₹ 25,000 for three children. Rishabh is eligible for availing exemption this year to the extent it is permissible under the Income-tax Act, 1961.

Compute the taxable salary of Mr. Rishabh if he has shifted out of the default tax regime under section 115BAC. **(5 Marks)**

- (b) Mr. Ravi, a resident in India, owns two house property, one in Delhi and another in Kanpur. The property in Kanpur is self-occupied by Mr. Ravi, however, the property in Delhi is let out throughout the year. The particulars of the Delhi house for the P.Y. 2024-25 are as under:

Standard rent	₹ 1,72,000 p.a.
Municipal valuation	₹ 2,05,000 p.a.
Fair rent	₹ 1,95,000 p. a
Rent received	₹ 15,000 p.m.
Municipal tax (Paid by Mr. Ravi)	5% of municipal valuation

Municipal tax paid by Mr. Ravi on 10.6.2024 for Kanpur house is ₹ 3,500. Mr. Ravi had taken a loan from SBI of ₹ 35 lakhs@12 p.a. in April, 2021 for purchase of Delhi house. The stamp duty value of this house was ₹ 40 lakhs. Mr. Ravi purchased a plot in Kanpur in May, 2021 and the construction of the Kanpur house was began in June, 2021 and was completed on December, 2022. Mr. Ravi took a loan of ₹ 25,00,000@10% on 1-7-2021 for the construction of this house. No repayment has been done so far for both the loans.

During the P.Y. 2024-25, Mr. Ravi has earned a salary income of ₹ 18,00,000. Compute total income of Mr. Ravi for the A.Y. 2025-26 under default tax regime.

**(5 Marks)**

4. (a) Mr. Gagan, a Classical singer of Bengal and his wife Mrs. Rashmi furnish the following information relating to the A.Y. 2025-26.



		₹
1	Income of Mr. Gagan - Professional classical singer (computed)	5,65,000
2	Salary income of Mrs. Rashmi (Computed)	3,80,000
3	Loan received by Mrs. Rashmi from XYZ Pvt. Ltd. (Mrs. Rashmi holds 35% shares of the Co. The Co. has incurred losses since its inception 2 years back)	2,50,000
4	Income of their minor son Gaurav from winning singing reality show on T.V.	2,50,000
5	Cash gift received by Gaurav from friend of Mr. Gagan on winning the show	21,000
6	Interest income received by minor married daughter Kavita from deposit with XYZ Pvt Ltd.	40,000

Compute the total taxable income of Mr. Gagan & Mrs. Rashmi for the A.Y. 2025-26 if they want to pay tax under default regime under section 115BAC. **(6 Marks)**

- (b) Mr. Vijay, an Indian citizen residing in Chennai, files his return of income every year on time. He has Aadhaar number as well. He has not intimated his Aadhaar number to the prescribed authority till August 2024. He approached you on 1.9.2024 and asked you about the consequences of not doing so.

What would be your answer if Mr. Vijay wants to intimate his Aadhaar number to the prescribed authority now? **(4 Marks)**

**OR**

- (b) In each of the following independent situations, you are required to examine whether these persons are required to file their return of income or loss for A.Y.2025-26 if their total income for the P.Y. 2024-25 do not exceed the basic exemption limit:

- (i) The turnover of Mr. Ankit's business is ₹ 65 lakhs during the P.Y. 2024-25.
- (ii) Mr. Suyash has incurred a total expenditure of ₹ 90,000 towards consumption of electricity during the P.Y. 2024-25. **(4 Marks)**

## SECTION B – GOODS AND SERVICES TAX (50 MARKS)

### QUESTIONS

- (i) Working Notes should form part of the answers. However, in answers to Questions in Division A, working notes are not required.
- (ii) Wherever necessary, suitable assumptions may be made by the candidates, and disclosed by way of notes.
- (iii) All questions in Section B should be answered on the basis of position of GST law as amended by Finance (No. 2) Act 2024, which became effective till 31.10.2024, and significant notifications and circulars issued upto 31.10.2024.

### Division A - Multiple Choice Questions (MCQs)

Write the most appropriate answer to each of the following multiple-choice questions by choosing one of the four options given. All questions are compulsory.

**Total Marks: 15 Marks**

### CASE SCENERIO I

OCT Pvt. Ltd. is a registered company and have retail store of merchandise located in 25 States in the country. For the purpose of clearance of stock of merchandise and to attract consumers, OCT Pvt. Ltd. launched scheme of "Buy One Get One Free" for the same type of merchandise, for instance, one shirt to be given free with purchase of one shirt. For saving cost, OCT Pvt. Ltd. directly purchases merchandise from the manufacturers.

In the month of May, to save employee cost, OCT Pvt. Ltd. purchased a tempo traveller worth ₹ 12,00,000 with seating capacity of 25 persons (including driver) for transportation of its employees. Further, to ensure the well-being of its employees, OCT Pvt. Ltd. voluntarily obtained the health insurance cover of ₹ 2,00,000 for each employee in the same month. The premium of ₹ 1,500 per employee has been paid by the company for 100 employees.

In the month of July, Mr. Raghav, a customer of the company, filed a law suit in the Court, against the company for not supplying goods of the value of ₹ 1,00,000. OCT Pvt. Ltd. engaged Mr. Ram, an advocate, to represent it in Court for an agreed consideration of ₹ 25,000. As per the terms of the contract, Mr. Ram issued an invoice on 5<sup>th</sup> July. However, consideration was not paid till February next year.

All the amounts given above are excluding taxes and all transactions are intra-State transactions. Rates of taxes are CGST - 9% and SGST – 9%. However, for tempo traveller, the rates of taxes are CGST - 14% and SGST – 14%.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 1 to 3 below:

1. With respect to “Buy One, Get One free” offer, which of the following statements is true:
  - (a) It will not be considered as supply at all since no consideration is involved in one of the items.
  - (b) Supply of item for which consideration is charged is a supply under section 7 of the CGST Act, 2017 while supply of the other item supplied free of cost is not a supply.
  - (c) These are two individual supplies where a single price is charged for the entire supply. Since a single price is charged, the same will always be taxed as a mixed supply.
  - (d) These are two individual supplies where a single price is charged for the entire supply. Their taxability will depend upon as to whether the supply is a composite supply or a mixed supply.
2. Eligible input tax credit for the month of May (i) on the purchase of tempo traveller and (ii) on health insurance premium paid (assuming that all other conditions, for availing input tax credit have been complied with) is:
  - (a) (i) CGST - Nil, SGST - Nil and (ii) CGST - Nil, SGST - Nil
  - (b) (i) CGST - ₹ 1,68,000, SGST - ₹ 1,68,000 and (ii) CGST - Nil, SGST - Nil
  - (c) (i) CGST - Nil, SGST - Nil and (ii) CGST - ₹ 18,000, SGST - ₹ 18,000
  - (d) (i) CGST - ₹ 1,68,000, SGST - ₹ 1,68,000 and (ii) CGST - ₹ 18,000, SGST - ₹ 18,000
3. Which of the following statements is true in respect of the services of advocate availed by the company?
  - (a) CGST-₹ 2,250 and SGST-₹ 2,250 on advocate services are payable by OCT Pvt. Ltd. ITC availed thereon is to be added to its output tax liability with interest as consideration along with tax is not paid within 180 days of the issuance of invoice.
  - (b) CGST-₹ 2,250 and SGST- ₹ 2,250 on advocate services are payable by Mr. Ram. ITC availed thereon is to be added to output tax liability of OCT Pvt. Ltd. with interest as consideration along with tax is not paid within 180 days of the issuance of invoice.

- (c) CGST - ₹ 2,250 and SGST- ₹ 2,250 on advocate services are payable by OCT Pvt. Ltd. The condition of payment of consideration along with tax within 180 days of the issuance of invoice does not apply in the given case.
- (d) CGST- ₹ 2,250 and SGST- ₹ 2,250 on advocate services are payable by Mr. Ram. The condition of payment of consideration along with tax within 180 days of the issuance of invoice does not apply in the given case. **(3 X 2 Marks = 6 Marks)**

### CASE SCENERIO II

M/s Sakshi & Co, a partnership firm registered under GST, is undertaking various Government projects.

The firm has let out on hire the following vehicles-

- i. A motor vehicle to carry more than 15 passengers to the State Government Electricity Department
- ii. An electric operated vehicle to carry more than 12 passengers to Local Municipal Corporation
- iii. An electric operated vehicle to carry up to 12 passengers to State Transport Undertaking

The firm issued invoices pertaining to two independent outward supplies, where in one invoice value of supply was understated by ₹ 75,000 and in another invoice, value was overstated by ₹ 45,000.

The firm received certain supply of goods amounting to ₹ 8,40,000 from registered persons on which tax was payable under reverse charge basis.

All the amounts given above are exclusive of taxes, wherever applicable. All transactions referred to above are intra-State. All the conditions for availing ITC have been fulfilled subject to the information given above.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 4 to 6 below:-

4. In respect of vehicles let out on hire by the firm, services that are exempt from GST are \_\_\_\_\_.
- (i) Letting on hire a motor vehicle to the State Electricity Department
  - (ii) Letting on hire an electric operated vehicle to Local Municipality
  - (iii) Letting on hire an electric operated vehicle to State Transport Undertaking
- (a) (i)
  - (b) (ii)
  - (c) (i) and (iii)

- (d) (ii) and (iii)
5. Which of the following is correct in respect of document to be issued by the firm for understatement and overstatement of invoice value?
- (i) Debit note is to be issued for ₹ 75,000.
  - (ii) Credit note is to be issued for ₹ 75,000.
  - (iii) Debit note is to be issued for ₹ 45,000.
  - (iv) Credit note is to be issued for ₹ 45,000.
- (a) i & iii
  - (b) ii & iii
  - (c) i & iv
  - (d) ii & iv
6. Which of the following statements is correct in respect of supply of goods amounting to ₹ 8,40,000 received by the firm which are taxable under reverse charge?
- (i) Firm shall issue a payment voucher at the time of making payment to supplier.
  - (ii) Firm shall issue a delivery challan for supply of goods.
  - (iii) Firm shall issue receipt voucher at the time of making payment to supplier.
  - (iv) Firm is not required to issue any document in respect of such supply.
- (a) i
  - (b) i & ii
  - (c) ii & iii
  - (d) iv
- (3 X 2 Marks = 6 Marks)**
7. Saundarya Bazaar Pvt. Ltd., registered in Maharashtra sells Makeup Kits via an E-commerce operator BeautyBoost.com. Mrs. Dhvani placed an order of 20 sets of Makeup Kits each costing ₹ 11,800 (GST @18% included) on 15<sup>th</sup> January 2025. However, he returned 4 sets back after 2 days in accordance with the exchange policy of BeautyBoost.com. Determine the value of supply on which BeautyBoost.com should collect TCS from Saundarya Bazaar Pvt. Ltd.
- (a) ₹ 1,60,000
  - (b) ₹ 1,88,800

(c) ₹ 2,00,000

(d) ₹ 2,36,000

**(2 Marks)**

8. Sundrop & Associates made an application for cancellation of GST registration in the month of March due to closure of its business. Its application for cancellation of GST registration was approved w.e.f. 4th September by the proper officer by passing an order for the same on 14th September. In the given case, Sundrop & Associates is:

(a) required to file Final Return on or before 4th December

(b) not required to file Final Return

(c) required to file Final Return on or before 30th September

(d) required to file Final Return on or before 14th December

**(1 Mark)**

**Division B - Descriptive Questions**

**Question No. 1 is compulsory.**

**Attempt any two questions out of remaining three questions.**

**Total Marks:35 Marks**

1. (a) M/s Popli & Co., a partnership firm, registered supplier under GST in Bhopal (Madhya Pradesh State), has provided the following information for the month of October, 2024:

S. No.	Details of transactions	Amount (₹)
(i)	Provided sponsorship Services to Mr. Balkishan Das, proprietor of M/s Hans Jewellers, registered in Morena, Madhya Pradesh.	2,50,000
(ii)	Provided services of processing the tomatoes into ketchup and packing of the same to Mr. Abhilash, a registered person in Indore, Madhya Pradesh.	99,900
(iii)	Rent paid to a residential dwelling taken for running an office for providing DSA services; Owner of the residential property was not registered under GST. (Intra-State supply)	25,000
(iv)	Purchased a car for the official use of managing partners of the Firm for business use (Inter-State purchase).	9,00,000

(v)	Availed Information Technology services for their business from Partner's friend Mr Kevin Williamson located in Melbourne, Australia. Mr. Williamson refused to take any consideration. Open Market value of said service was ₹ 1,25,000.	Nil
(vi)	Provided training and performance appraisal services in Bhopal to following persons: (a) ABC Private Limited, a registered supplier in the State of Kerala (b) Babu Cones, a proprietorship concern of Rajasthan, which was not registered under GST	3,00,000 1,00,000

**Note:**

- (i) Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively.
- (ii) All the amounts given above are exclusive of taxes.
- (iii) All the conditions necessary for availing the ITC have been fulfilled.
- (iv) There was no opening balance of any input tax credit.
- (v) The turnover of M/s Popli & Co. was ₹ 2 crore in the previous financial year.

Compute the net GST payable in cash, by M/s Popli & Co. for the month of October, 2024. Correct legal provisions should form part of your answer.

**(10 Marks)**

- (b) Pearl & Beauty Pvt. Ltd. has provided the following particulars relating to goods sold by it to Colourful Pvt. Ltd.

Particulars	₹
List price of the goods (exclusive of taxes and discounts)	50,000
Tax levied by Municipal Authority on the sale of such goods	5,000
Packing charges (not included in price above)	1,000

Pearl & Beauty Pvt. Ltd. received ₹ 2,000 as a price linked subsidy from NGO on sale of such goods. The price of ₹ 50,000 of the goods is after considering such subsidy. Pearl & Beauty Ltd. offers 2% discount on the list price of the goods which is recorded in the invoice for the goods.

Determine the value of taxable supply made by Pearl & Beauty Pvt. Ltd.

**(5 Marks)**

2. (a) Determine the place of supply in the following independent cases:-
- (i) Mr. Motilal, a Chartered Accountant in Gurugram, Haryana, (registered in Haryana) provides consultancy services to his client Mr. Manoharlal who is a resident of New Delhi but is not registered under GST. The address of Mr. Manoharlal is recorded in the records of Mr. Motilal.
- (ii) Vinchi Pvt. Ltd. (New Delhi) has leased its machine (cost ₹ 8,00,000) to Mishti Pvt. Ltd. (Noida, Uttar Pradesh) for production of goods on a monthly rent of ₹ 35,000. After 12 months Mishti Pvt. Ltd. requested Vinchi Pvt. Ltd. to sell the machine to it for ₹ 5,00,000, which is agreed to by Vinchi Pvt. Ltd. **(5 Marks)**

- (b) M/s. Sona Bank Limited, a scheduled commercial bank, has furnished the following details for the month of August:

Particulars	Amount [₹ in crores] (excluding GST)
Extended housing loan to its customers	100
Processing fees collected from its customers on sanction of loan	20
Commission collected from its customers on bank guarantee	30
Interest income on credit card issued by the bank	40
Interest received on housing loan extended by the bank	25

Compute the value of taxable outward supply. **(5 Marks)**

3. (a) Ranvijay Associates registered in Gujarat deals in industrial grade iron and steel products. The proprietor of Ranvijay Associates sold TMT Iron bars (GST applicable @18%) to a retailer in Maharashtra at a value of ₹ 40,000 (excluding GST). As per the agreement of sale, goods are to be delivered at the premises of retailer. The transportation cost of ₹ 7,000 has been charged separately to deliver the same to the retailer in Maharashtra. In the above scenario, determine whether an e-way bill is required to be issued under GST? **(5 Marks)**
- (b) The aggregate turnover of Action Services Ltd., Delhi, exceeded ₹ 20 lakh on 12<sup>th</sup> August. He applied for registration on 3<sup>rd</sup> September and was granted the registration certificate on 6<sup>th</sup> September. You are required to advise Action Services Ltd. as to what is the effective date of registration in its case. It has also sought your advice regarding period for issuance of Revised Tax Invoices. **(5 Marks)**



4. (a) State the activities which are treated as supply even if made without consideration.

**(5 Marks)**

Or

- (a) Under the GST law, taxes on taxable services supplied by the Central Government or the State Government to a business entity in India are payable by recipient of services".

State the exceptions of the above statement.

**(5 Marks)**

- (b) Who can be registered as Goods and Service Tax Practitioners under Section 48 of the CGST Act, 2017?

**(5 Marks)**