

Roll No. ....



Total No. of Questions – 8

Total No. of Printed Pages – 16

Maximum Marks – 70

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2. Part I comprises Multiple Choice Questions (MCQs).
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**PART – II**

**70 Marks**

1. **Section – A** comprises questions 1-4. In Section – A, answer question No. 1 which is compulsory and any 2 questions from question Nos. 2-4. All questions in Section – A are related to assessment year 2025-26, unless otherwise stated. Significant notifications/circulars issued upto 28<sup>th</sup> February, 2025 shall be relevant.  
**Section – B** comprises questions 5-8. In Section – B, answer question No. 5 which is compulsory and any 2 questions from question Nos. 6-8.
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PART – II

SECTION – A

1. Mr. Ram, a resident individual aged 58 years, is engaged in the manufacturing of textile items. Statement of Profit and Loss shows a net profit (after depreciation but before tax) of ₹ 52,00,000 for the financial year ended 31<sup>st</sup> March, 2025 after debiting/crediting the following items : 15
- (i) Depreciation as per Income-tax Rules : ₹ 28,00,000 including additional depreciation on new plant & machinery ₹ 1,50,000.
  - (ii) Interest amounting to ₹ 2,10,000 for short payment of advance tax as per section 234B relating to the assessment year 2024-25.
  - (iii) ₹ 3,50,000 paid to a contractor for carrying out whitewash work at factory premises. Tax was not deducted at source on this payment and the contractor did not file his return of income for the relevant PY.
  - (iv) Contribution to Prime Minister National Relief Fund - ₹ 3,00,000 paid by way of cheque.
  - (v) Expenditure towards advertising charges in a brochure of a political party registered under section 29A of Representation of People Act, 1951 - ₹ 40,000 paid by way of cheque.
  - (vi) Interest on term loans obtained from a co-operative bank not paid before the due date of filing of return of income ₹ 2,60,000.
  - (vii) Contribution towards pension scheme of employees ₹ 1,50,000. The eligible salary and dearness allowance for the pension scheme referred to under section 80CCD is ₹ 10,00,000.
  - (viii) Industrial power tariff concession of ₹ 2,50,000 received from the Central Government.
  - (ix) Interest from banks on fixed deposits (gross) ₹ 1,50,000
  - (x) Cash gift from father ₹ 90,000

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**Additional Information :**

- (i) Expenditure pertaining to previous financial year (FY 2023-24) was, allowed on due basis, but paid in current financial year in cash on 18.01.2025 : ₹ 35,000
- (ii) Audit fee for the previous year 2023-24: ₹ 75,000. TDS deducted but not deposited in the relevant previous year. However, TDS was deposited on 31.12.2024.

You are required to compute the total income and tax liability of Mr. Ram under both the taxation regimes (normal as well as under section 115BAC) and suggest the one which is more beneficial to him. Ram prepares his accounts on mercantile basis.

Cost Inflation Index for FY 2021-22 : 317, FY 2024-25 : 363.

2. (a) Swetha, a citizen of India, is a chartered accountant. She is a working partner in Swetha and Varun Associates, which was set up in Chennai, India. She visits foreign country A quite often and provides accounting services to corporates there in her individual capacity. In country A, she is not subject to any income tax. The details of her income for the financial year 2024-25 is as follows :
- (i) Remuneration from her CA firm in India (amount received in India) - ₹ 16 lakhs (Deductible while computing the income of the firm)
  - (ii) Income received from providing accounting services in country A (received in a bank account in country A) - ₹ 5 lakhs
  - (iii) Dividend (from companies incorporated in country A and received in a bank account in country A) - ₹ 8 lakhs
  - (iv) Income from a business in country A which was set up in country A but is controlled from Chennai, India (received in country A) - ₹ 7 lakhs

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Ascertain her residential status (briefly explaining relevant provisions) along with the taxability of income for the assessment year 2025-26 in the following independent situations :

- (i) She did not visit India during the FY 2024-25.
  - (ii) She visits and stays in India for 200 days every year since the 12 preceding previous years including FY 2024-25.
  - (iii) She did not visit India during the previous year 2024-25 and her income from profession in India is ₹ 4 lakhs for the financial year 2024-25, instead of ₹ 16 lakhs.
- (b) Aryan, a resident individual engaged in the retail trade of auto parts through various stores across Delhi-NCR, had total turnover of ₹ 15 crores during the financial year 2023-24. The following data is furnished relating to the financial year ended 31-3-2025 :

- (i) He purchased goods for ₹ 105 lakhs (excluding GST @ 18%) on 21.05.2024 from Diva LLP, a limited liability partnership firm resident in India. Out of these purchases, goods worth ₹ 5 lakhs (excluding GST) were returned on 20.07.2024 due to quality issues for which Diva LLP refunded the money on 20.02.2025. Assume that the turnover of Diva LLP during the financial year 2023-24 was ₹ 8 crores.
- (ii) Aryan paid ₹ 77,000 every month to Mr. Kulveer, a resident individual for providing catering services in his shop under a contract.

Discuss the TDS/TCS implications in respect of the above-mentioned transactions assuming PAN of all the concerned parties are available.

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3. (a) Mr. Mani, a resident individual aged about 45 years, acquired a plot of land in March 2002 for ₹ 12,25,000 and paid stamp duty of ₹ 1,00,000 on registry of the land. He sold this land on 10<sup>th</sup> October 2024 for ₹ 80,00,000. The stamp duty valuation assessed by sub registrar was ₹ 83,50,000. Advise Mani about which option of computation of capital gains is most suitable for him as far as his tax liability is concerned on the assumption that he has no other income chargeable to tax and has not opted out of the provision of section 115BAC. 6

Costs Inflation Index for various financial years are as under :

2001-02	100
2002-03	105
2006-07	122
2024-25	363

- (b) Prabhu, a resident individual aged 45 years, is employed with a private limited company as HR manager, on a basic salary of ₹ 80,000 p.m. He has been provided with the following other benefits : 4

- (i) A rent-free unfurnished accommodation (owned by the company) in Mumbai from 01.05.2024. However, he occupied the accommodation only from 01.12.2024. The company had bought this house in the financial year 2023-24 at a cost of ₹ 2 crores.
- (ii) A mobile phone for his personal use on 01.04.2024. The cost of the phone was ₹ 90,000. The company also gives him a telephone allowance amounting to ₹ 1,000 p.m. to cover his mobile phone bill. During the FY 2024-25, his aggregate mobile phone bill was ₹ 15,000.
- (iii) Company had purchased a car on 01.07.2022 for ₹ 10 lakhs. This car is sold to Prabhu on 01.08.2024 for ₹ 2,50,000.
- (iv) He was allowed to use the video camera and laptop belonging to the company from 01.04.2024. The company had purchased these assets for ₹ 50,000 and ₹ 2,00,000 respectively on 01.04.2022.

Compute the taxable salary of Prabhu assuming he has opted out of default tax regime.

Cost Inflation Index : FY 2023-24 – 348; 2024-25 – 363

**TMP2**

**P.T.O.**

4. (a) Surbhi, a resident individual aged 35 years, is a working partner in two firms (A and B) engaged in the retail business of garments. She provides the following details of her income/losses for the year ended 31<sup>st</sup> March 2025 :

- (i) Remuneration received as a partner from partnership firm "A" - ₹ 9.7 lakhs (Deductible while computing the income of the firm).
- (ii) Loss from intra-day trading in shares of Indian companies listed on a recognised stock exchange (no delivery of shares was taken) - ₹ 4 lakhs.
- (iii) Income from the activity of owning and maintaining race horses - ₹ 7 lakhs.
- (iv) Long term capital gains on sale of property (computed as per the provisions of the Income-tax Act) - ₹ 9.2 lakhs.
- (v) Interest paid on loan taken for repair of self-occupied house property - ₹ 1.2 lakhs.
- (vi) Amount received as advance towards sale of a shop which was later forfeited as the buyer could not comply with the conditions specified in agreement of sale - ₹ 5 lakhs.
- (vii) Share of loss from partnership firm "B" - ₹ 1.1 lakhs.
- (viii) Loss on betting - ₹ 0.20 lakhs.
- (ix) Interest on fixed deposit (gross) - ₹ 0.80 lakhs. The fixed deposit of ₹ 10 lakhs was gifted to her by her father-in-law on 01.04.2024.

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Following are the losses brought forward :

- (i) Long term capital loss on sale of unlisted shares (pertaining to AY 2024-25) - ₹ 3.8 lakhs.
- (ii) Loss from the activity of owning and maintaining race horse (pertaining to AY 2024-25) - ₹ 25,000.

Compute gross total income of Surbhi for assessment year 2025-26 under appropriate heads of income and the amount of loss that can/cannot be carried forward assuming that she has opted out of default tax regime. Will your answer be different in case she does not opt out from default tax regime. There is no need to compute the tax payable under any of the regimes.

- (b) Specify the persons who are not required to pay advance tax as per the provisions of the Income-tax Act. 4

**OR**

- (b) State, with appropriate reasons, whether the following statements are "true" or "false". 4

- (i) An income-tax return can be revised only once.
- (ii) Updated return under section 139(8A) cannot not be filed if original return is a loss return under section 139(3).

**TMP2**

**P.T.O.**

(8)

## TMP2

## SECTION – B

5. (a) Mr. Karan, a registered supplier in Kochi (Kerala State) has provided the following information of supply received/made during the month of February, 2025 : 10

S. No.	Particulars	Amount (₹)
(i)	On 5 <sup>th</sup> February 2025 Supplied goods to Jaara Enterprises, an unregistered partnership firm in Bikaner, Rajasthan. Discount of 10% offered to Jaara Enterprises on this invoice price of ₹ 2,00,000 as per pre agreement but not recorded in the invoice. Discount given for this invoice by way of credit note on 28 <sup>th</sup> February 2025.	2,00,000
(ii)	Made a supply of machinery to Cool & Co. registered in the State of Kerala. The machinery was installed at Factory site of Cool & Co. in the State of Tamil Nadu as per agreement.	6,00,000
(iii)	Provided supply of online educational journals on monthly basis to St. Peters High School, situated in the State of Kerala.	25,000
(iv)	Provided renting of his own commercial property situated at Thrissur (Kerala) to Safe Volt Limited of Kerala, in which he is an independent director.	70,000
(v)	Supplied a consignment of Office uniform to Rasool Tea Estate situated at Munnar (Kerala).	2,00,000
(vi)	Payment made to Mr. Manish, a contractor of Bengaluru for construction of staff quarters within the factory premises at Kochi. Staff quarters capitalised in the books and no depreciation charged.	1,25,000

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Mr. Karan provided the following additional information :

- (i) During the month, supply for ₹ 13,000 was made against redemption of foods coupons issued during December 2024 for use against specific Pizza available in a food court run by Mr. Karan in Kochi, coupons were valid till 28.02.2025.
- (ii) In respect of supply made to Munnar, being a hill station, local levy of Green tax of ₹ 10,000 was charged by Mr. Karan in the invoice made to Rasool Tea Estate.
- (iii) Mr. Karan was advised by his accountant that since he is a director in the company to whom he let out his property, GST is to be paid by the company under Reverse Charge Mechanism [RCM].
- (iv) Assume rate of CGST, SGST and IGST are 9%, 9% and 18% respectively for both inward and outward supplies of goods and services, except where otherwise provided.
- (v) All the amount given above in the table are exclusive of GST and Green Tax or any other tax wherever applicable.
- (vi) Subject to the information given above, conditions for availing ITC have been complied with.
- (vii) All the inward and outward supplies to be considered in the course of Intra-State except where information provided to determine the Place of supply.
- (viii) Assume all the inward supplies used for the taxable outward supplies only.
- (ix) There was opening balance of Input Tax Credit ( ITC) of ₹ 1,50,000 of IGST and ₹ 30,000 of CGST and Nil of SGST.

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**TMP2**

From the information given above, you are required to compute the net minimum GST liability payable in cash after deduction of ITC by Mr. Karan for the month of February 2025.

**Note :** Correct relevant legal provision and individual tax amount (if any) for each item should form part of your answer.

- (b) M/s. ABC Corporation Pvt. Ltd., a registered dealer of Mumbai furnishes 5  
you following information for the month of February 2025 :

S. No.	Particulars	Amount (₹)
(i)	Intra-State Sale of Taxable goods (₹ 50,000 was received as advance in January, 2025 Out of this ₹ 2,00,000)	2,00,000
(ii)	Provided accommodation Services in Mumbai with charges per person per month of ₹ 18,000. (The accommodation is supplied for a minimum continuous period of 99 days) (It is Intra-State transaction)	2,34,000
(iii)	Received for services by way of pure labour contracts for repairing a single residential unit otherwise then as a part of residential complex (It is Intra-State transaction)	50,000
(iv)	Professional fees paid for taxable service to Ms. Udan Mehta located in a non-taxable territory (It amounts to Inter-State transaction)	70,000

Other Information :

- (i) Turnover of M/s. ABC Corporation Pvt. Ltd. was ₹ 2 Crore in the previous financial year.
- (ii) All the amounts given above are exclusive of GST.

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Compute the GST liability of M/s. ABC Corporation Pvt. Ltd. for the month of February 2025. Assume the rates of CGST @ 9%, SGST 9% and IGST @ 18%.

**Note:** Correct legal provision and individual tax amount (if any) for each item should form part of your answer.

6. (a) Veer Trading Private Limited (VTPL) is a registered entity under GST in Jaipur, Rajasthan. It is engaged in wholesale trading of various sports items. VTPL furnishes the following information regarding its inward supplies during the month of February 2025: 5

S. No.	Particulars	Amount (Excluding any tax) (₹)
(i)	As per the policy of the company, the Managing Director (MD) of the company has taken membership of local sports club on behalf of company. The company paid fees monthly. Applicable rate of GST is 6% each of CGST and SGST.	20,000
(ii)	Purchased equipment from Original Equipment Manufacturer (OEM) as an Ex-Works (EXW) contract basis on 26 <sup>th</sup> February 2025. As per terms of the contract, the goods are to be delivered by the OEM to transporter on behalf of the recipient, at supplier's (OEM) place of business. The OEM handed over the equipment to transporter on 28 <sup>th</sup> February 2025 but equipment physically received by VTPL on 2 <sup>nd</sup> March 2025. Applicable rate of GST is 6% each of CGST and SGST.	10,00,000

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(iii)	On 5 <sup>th</sup> year of its incorporation, VTPL arranged an event from M/s Daksh Event company for customer's meet. M/s Daksh Event company charges single price of Event charge as ₹ 2,50,000 which is inclusive of food charges of ₹ 40,000 as per the general trend followed by the industry.  Applicable rate of CGST and SGST @ 9% each for event and @ 14% each for food supply.	2,50,000
(iv)	Purchased Truck for transport of Goods (Rate of CGST and SGST @ 14% each)  Claimed ₹ 2,10,000 (₹ 14,00,000 @ 15%) as depreciation under the Income Tax Act, 1961	14,00,000

Assume all the above transactions are in the course of Intra-State.

Subject to Information given above, assume that all the other conditions necessary for availing ITC (unless specified otherwise) have been fulfilled and all the suppliers are registered under regular scheme.

Determine the amount of Input Tax Credit (ITC) that can be availed by Veer Trading Private Limited (VTPL) for each individual item as well as total eligible ITC for the month of February 2025 by giving necessary explanations for treatment of each item.

**TMP2**

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(b) Examine the following independent cases and determine the Place of supply under the GST law along with the relevant legal provisions : 5

(i) Mr. Mukul, a bank manager is transferred from Kolkata, West Bengal to Jodhpur, Rajasthan. His family resides at Ranchi, Jharkhand. He hires Fastman Couriers Private Limited, a registered company in Kolkata, to transport his household goods from Ranchi to Jodhpur.

(ii) M/s Ravi Builders of Pune, Maharashtra hired M/s Builder and Co. an architectural firm registered under the GST law at Ahmedabad, Gujarat for designing an architectural plan for a 21 floor building to be constructed by them in Canada.

(a) In the Month of February 2025 Mr. Venkatesh started supply of both goods and services from the states of Rajasthan and Tripura. His statistics for the month of February 2025 are as under : 5

S. No.	Particulars	Rajasthan (₹)	Tripura (₹)
(i)	Intra-State taxable supplies	11,00,000	5,00,000
(ii)	Intra-State Sale by Mr. Venkatesh as an agent of Ganesh enterprises, a non-taxable person of Rajasthan	1,00,000	—
(iii)	Intra-State supply of non-taxable goods	2,00,000	—

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**Additional Information :**

- (i) In the State of Rajasthan, Intra-State taxable supply includes commission received as an insurance agent from an insurance company worth ₹ 50,000.
- (ii) In the State of Tripura, Intra-State taxable supplies includes inward supply of service on which tax is payable under Reverse charge worth ₹ 1,00,000.
- (iii) For sale by Mr. Venkatesh in the capacity of agent for Ganesh Enterprises the invoice was issued in the name of Mr. Venkatesh only.

Assume all the above figures are excluding GST and amount given to be considered as value determined as per the GST law.

Based on the above-mentioned information, you are required to determine the following along with the relevant provision in brief :

- (1) Compute the Aggregate turnover of Mr. Venkatesh for the purpose of registration under GST law.
- (2) Decide whether Mr. Venkatesh is liable to be registered under GST or not.

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Also discuss whether your answer to the (2) above will change or not if in the state of Tripura Mr. Venkatesh is engaged only in Intra-State supply of exempt goods and other information will remains same.

- (b) State in brief the requirement of generation of an E-way Bill with reference to Rule 138(1) of the CGST Rules, 2017. **5**

Also discuss in brief the provision of generation of E-way Bill in case of supply of goods on behalf of the third person (i.e. "Bill to Ship to" Model).

8. (a) "Rule 86B of the CGST Rules, 2017 impose restrictions on the use of amount available in Electronic Credit Ledger if the value of taxable supply is more than ₹ 50 lakh in the month." **5**

Read the above statement with reference to provision of Input Tax Credit (ITC) and discuss in brief the **Nature of Restriction imposed** under this Rule 86B and also list out the **exceptions of this rule**.

**Note :** Detailed discussion of exceptions is not required.

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