

**PAPER 3 : TAXATION**

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

**Working Notes should form part of the answer. Whenever 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. 2024-25**

**DIVISION A - MULTIPLE CHOICE QUESTIONS**

**TOTAL MARKS: 15 MARKS**

**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.**

**Q. 1 to Q. 6 :  
CASE SCENARIO**

Mr. Pankaj, an Indian resident, purchased a residential house property at Kanpur on 20.08.1998 for Rs. 20.5 lakhs. The fair market value and the stamp duty value of such house property as on 1.4.2001 was Rs. 28.5 lakhs and Rs. 25 lakhs, respectively. On 05.02.2016, Mr. Pankaj entered into an agreement with Mr. Gyan for the sale of such property for Rs. 61 lakhs and received an amount of Rs. 2.5 lakhs as advance. However, as Mr. Gyan did not pay the balance amount, Mr. Pankaj forfeited the advance.

On 10.05.2023, Mr. Pankaj sold the house property to Mr. Rohan for Rs. 1.50 crores, when the stamp duty value of the property was Rs. 2 crores. Further, he purchased two residential house properties at Delhi and Mumbai for Rs. 57 lakhs each on 28.09.2024. Mr. Pankaj has no other income during the P.Y. 2023-24.

On 31.01.2025, Mr. Pankaj decided to sell the house property at Mumbai to his brother, Mr. Gaurav, for Rs. 58 lakhs, from whom Rs. 25,000 was received in cash on 15.01.2025 as advance for signing the agreement to sale. Sale deed was registered on 30.03.2025 on receipt of the balance amount through account payee cheque from Mr. Gaurav. The stamp duty value of house property at Mumbai on 31.01.2025 and 30.03.2025 was Rs. 61 lakhs and Rs. 64 lakhs, respectively.

Cost inflation index –

P.Y. 2023-24: 348; P.Y. 2015-16: 254; P.Y. 2001-02: 100

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

1. What shall be the indexed cost of acquisition of residential house property at Kanpur for computation of capital gains in the hands of Mr. Pankaj?
  - (a) Rs. 78,30,000
  - (b) Rs. 87,00,000
  - (c) Rs. 90,48,000
  - (d) Rs. 99,18,000
2. The amount of capital gains taxable for A.Y. 2024-25 in the hands of Mr. Pankaj for sale of residential house property at Kanpur is -
  - (a) Nil
  - (b) (Rs. 1,00,000)
  - (c) Rs. 63,00,000
  - (d) Rs. 1,13,00,000

## MITTAL COMMERCE CLASSES

3. The amount of capital gains taxable for A.Y. 2025-26 in the hands of Mr. Pankaj for sale of residential house property at Mumbai is -
  - (a) Rs. 8 lakhs
  - (b) Rs. 7 lakhs
  - (c) Rs. 4 lakhs
  - (d) Rs. 1 lakh
  
4. The amount taxable under section 56(2)(x) in the hands of Mr. Gaurav, if any, is -
  - (a) Nil
  - (b) Rs. 1 lakh
  - (c) Rs. 3 lakhs
  - (d) Rs. 6 lakhs
  
5. What shall be the tax credit available with Mr. Pankaj with respect to sale of property at Kanpur during P.Y. 2023-24 assuming the tax was fully deducted by Mr. Rohan?
  - (a) Rs. 2,00,000
  - (b) Rs. 1,50,000
  - (c) Rs. 1,00,000
  - (d) Rs. 87,000
  
6. Is Mr. Pankaj required to file his return of income for A.Y. 2024-25?
  - (a) Yes, since his total income exceeds the basic exemption limit
  - (b) No, since his total income does not exceed the basic exemption limit
  - (c) Yes, since tax deducted in his case exceeds Rs. 25,000
  - (d) Yes, since his total income before exemption under section 54 exceeds the basic exemption limit

**MCQ [6 MCQ of 2 Marks Each : Total 12 Marks]**

### Q. 7 to Q. 9 :

#### CASE SCENARIO

Mr. Kamal, aged 45 years, commenced operations of the business of a new three-star hotel in Delhi on 1.4.2023. He incurred capital expenditure of Rs. 50 lakhs on land in March, 2023 exclusively for the above business, and capitalized the same in his books of account as on 1st April, 2023. Further, during the P.Y. 2023-24, he incurred capital expenditure of Rs. 2 crores (out of which Rs. 50 lakhs was for acquisition of land and Rs. 1.50 crore was for acquisition of building) exclusively for the above business. The payments in respect of the above expenditure were made by account payee cheque. The profits from the business of running this hotel (before claiming deduction under section 35AD) for the A.Y.2024-25 is Rs. 85 lakhs.

He has employed 220 new employees during the P.Y.2023-24, the details of whom are as follows -

	<b>No. of employees</b>	<b>Date of employment</b>	<b>Regular/ Casual</b>	<b>Total monthly emoluments per employee (Rs.)</b>
(i)	40	1.6.2023	Regular	24,000
(ii)	80	1.7.2023	Regular	24,500
(iii)	50	1.7.2023	Casual	25,500
(iv)	30	1.9.2023	Regular	25,000
(v)	20	1.12.2023	Casual	24,000

All regular employees participate in recognized provident fund and their emoluments are paid by account payee cheque. His gross revenue from the hotel is Rs. 11 crores. Mr. Kamal has opted out of the default tax regime under section 115BAC.

## MITTAL COMMERCE CLASSES

Mr. Kamal also has another existing business of running a four-star hotel in Ahmedabad, which commenced operations twenty years back, the profits from which are Rs. 140 lakhs for the A.Y.2024-25

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

7. Assuming that Mr. Kamal has fulfilled all the conditions specified for claim of deduction under section 35AD and has not claimed any deduction under Chapter VI-A under the heading "C. – Deductions in respect of certain incomes", what would be the quantum of deduction under section 35AD, which he is eligible to claim as deduction for A.Y.2024-25?
  - (a) Rs. 250 lakhs
  - (b) Rs. 200 lakhs
  - (c) Rs. 100 lakhs
  - (d) Rs. 150 lakhs
  
8. What would be the income chargeable/loss under the head "Profits and gains of business or profession" for the A.Y.2024-25 in the hands of Mr. Kamal?
  - (a) Rs. 75 lakhs
  - (b) Rs. 140 lakhs
  - (c) Rs. 25 lakhs
  - (d) (Rs. 10 lakhs)
  
9. Would Mr. Kamal be eligible for deduction under section 80JJAA in the A.Y.2024-25? If so, what is the quantum of deduction?
  - (a) No, he would not be eligible for deduction u/s 80JJAA
  - (b) Yes; Rs. 75,00,000
  - (c) Yes; Rs. 81,72,000
  - (d) Yes; Rs. 99,72,000

**MCQ [3 MCQ of 1 Mark Each : Total 3 Marks]**

### DIVISION B - DESCRIPTIVE QUESTIONS

**QUESTIONS NO. 1 IS COMPULSORY.**

**ATTEMPT ANY TWO QUESTIONS FROM THE REMAINING THREE QUESTIONS**

**TOTAL MARKS: 35 MARKS**

#### **Question 1:**

Mr. Ayush, a resident individual, aged 54 years, is engaged in the business of manufacturing textiles. He earned profit of Rs. 82,45,000 as per profit and loss account after debiting and crediting the following items:

- (i) Depreciation Rs. 15,40,000
- (ii) Short term capital gains on transfer of listed equity shares in a company on which STT is paid Rs. 10,00,000
- (iii) He received income-tax refund of Rs. 15,550 which includes interest on refund of Rs. 4,550.
- (iv) Dividend income from Indian companies Rs. 15,00,000. Dividend received from each company is less than Rs. 5,000.

#### **Additional information –**

- (i) Mr. Ayush installed new plant and machinery for Rs. 65 lakhs on 1.10.2023 which was put to use on 1.1.2024. Depreciation (including additional depreciation) on this amount of Rs. 65 lakhs is included in the depreciation debited to profit and loss account which has been computed as per Income-tax Rules, 1962.

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- (ii) Mr. Ayush took a loan from SBI of Rs. 50 lakhs on 1.9.2023 @10.5% p.a. to purchase such plant and machinery. Total interest upto 31.3.2024 has been paid on 31.3.2024 and the same has been debited to profit and loss account.
- (iii) Advance tax paid during the year is Rs.17,50,000.
- (iv) Ayush purchased goods for Rs. 40 lakhs from Mr. Ram, his brother. The market value of the goods is Rs. 35 lakhs.
- (v) He paid Rs. 40,000 as life insurance premium taken on the life of his married daughter who is not dependent on him. The sum assured is Rs. 5,00,000 and the policy was taken on 1.4.2016.
- (vi) He paid Rs. 45,000 by cheque towards health insurance policy covering himself, his spouse and his children.
- (vii) On 1.7.2023, Mr. Ayush withdrew Rs. 1.5 crores in cash from three current accounts maintained by him with SBI. There are no other withdrawals during the year. He regularly files his return of income.

You are required to compute the total income and tax payable by Mr. Ayush for the A.Y. 2024-25 assuming that he has shifted out of the default tax regime under section 115BAC.

**(15 Marks)**

### Question 2:

- (a) Ms. Jiya, aged 61 years, has total income of ₹ 7,50,000, including income from profession, for A.Y. 2024-25, and has paid advance tax of ₹ 10,000 on 13-12-2023. She has filed her return of income on 15-06-2024. Calculate the self-assessment tax payable and the interest thereon u/s 234A, 234B and 234C, if any, by Ms. Jiya if she has exercised the option of shifting out of the default tax regime provided u/s 115BAC(1A).

**(3 Marks)**

- (b) Examine the applicability of TDS provisions and TDS amount in the following cases:
  - (a) Rent paid for hire of machinery by B Ltd. to Mr. Raman Rs. 2,60,000 on 27.9.2023.
  - (b) Fee paid on 1.12.2023 to Dr. Srivatsan by Sundar (HUF) Rs. 35,000 for surgery performed on a member of the family.
  - (c) ABC and Co. Ltd. paid Rs. 19,000 to one of its Directors as sitting fees on 01-01-2023.

**(3 Marks)**

- (c) Mr. Chirayu who is 50 years old and his wife Mrs. Chirayu who is 48 years old furnish the following information (all the amount of incomes/gains/losses are computed as per the provisions of Income-tax Act):
  - (i) Mr. Chirayu's salary income - ₹ 11,00,000
  - (ii) Mrs. Chirayu's income from Kathak performances - ₹ 2,50,000. She is a professional Kathak dancer and pursue dancing as her profession.
  - (iii) Mrs. Chirayu earned long-term capital gains of ₹ 5,50,000 from sale of shares.
  - (iv) Mrs. Chirayu gifted ₹ 2,00,000 to Mr. Chirayu out of her Stridhan on 1-4-2023, Mr. Chirayu invested the entire amount in stock market but suffered a short-term capital loss of ₹ 5,10,000
  - (v) Miss Naina, their minor daughter, earned ₹ 3,56,000 by performing in various quiz competitions held online during the year 2023-24. She kept that amount in savings bank account and earned interest of ₹ 15,000 during the year 2023-24.
  - (vi) Master Rohan, their minor son earned ₹ 35,000 from fixed deposit which was made out of the cash he received on his birthday from his friends and family. Rohan suffers from disability as mentioned under section 80U. The medical certificate shows a disability of upto 75%.

## MITTAL COMMERCE CLASSES

Compute the total income in the hands of Mr. and Mrs. Chirayu and their minor children for the A.Y. 2024-25 if they have exercised the option of shifting out of the default tax regime provided u/s 115BAC(1A).

**(4 Marks)**

### Question 3:

- (a) Mr. Gupta is a finance manager in XYZ (P) Limited. He gets a salary of Rs. 30,000 per month. He owns two houses, one of which has been let out to his employer and which is in turn provided to him as rent free accommodation. Following details (annual) are furnished in respect of two house properties for the Financial Year 2023-24.

	House 1	House 2
Fair rent	75,000	1,95,000
Actual rent	65,000	2,85,000
Municipal Valuation	74,000	1,90,000
Municipal taxes paid	18,000	70,000
Repairs	15,000	35,000
Insurance premium on building	12,000	17,000
Ground rent	7,000	9,000
Nature of occupation	Let-out to XYZ (P) Limited	Let-out to Ms. Asha

Rs. 17,000 were paid as interest on loan taken by mortgaging House 1 for construction of House 2.

During the previous year 2023-24, Mr. Gupta purchased a rural agricultural land for Rs. 2,50,000. Stamp valuation of such property is Rs. 3,00,000.

Determine the taxable income of Mr. Gupta for the A.Y. 2024-25 assuming that he does opt for the provisions of section 115BAC. All workings should form part of your answer.

**(5 Marks)**

- (b) Mr. Rahul, an Indian citizen residing in Mumbai, 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 2023. He approached you on 1.9.2023 and asked you the consequences for not doing so and the effective date from which those consequences would become effective?  
What would be your answer if Mr. Rahul wants to intimate his Aadhaar number to the prescribed authority now?

**(5 Marks)**

### Question 4:

- (a) Mr. Vimal, a resident individual aged 48 years, is working at a senior management position in a private bank since past 20 years. During the previous year 2023-24, he received the following emoluments from the employer:
- Basic Salary Rs. 3,50,000 per month.
  - Client entertainment reimbursement of Rs. 20,000 per month out of which he submitted bills for Rs. 2,00,000 for the relevant year.
  - Leave travel allowance of Rs. 4,00,000 per annum. He took a trip to Goa with his spouse and two children in December 2023, for which plane boarding tickets of Rs. 1,00,000 and hotel bookings of Rs. 3,00,000 were submitted to the employer.
  - Performance bonus amounting to 20% of annual basic salary.

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- (e) He is eligible to take a staff housing loan upto Rs. 20,00,000 at a concessional rate of 2.5% p.a. He availed a housing loan of Rs. 15,00,000 out of the same on 1st June 2023. No repayment of loan has been made during the F.Y. 2023-24. The lending rate of SBI as on 1.4.2023 for housing loan may be taken as 8% p.a.
- (f) The Bank also allotted 1,500 sweat equity shares to Mr. Vimal in May 2023 at the rate of Rs. 1,300 per share. The Fair market value of the share was Rs. 1,500 per share on the date of exercise of option by Mr. Vimal. He sold all the shares for Rs. 2,100 per share on 31.03.2024 on recognised stock exchange. Assume Securities transaction tax has been paid.

The following transactions were made by Mr. Vimal during the previous year 2023-24:

- (a) He earned rental income of Rs. 35,000 per month from a 3 BHK residential flat situated at Delhi. He purchased the said flat for Rs. 45 Lakhs in June, 2023 using the housing loan availed from the employer and his own savings. It was let out from July, 2023. Municipal taxes of Rs. 12,000 for F.Y. 2023-24 was paid by Mr. Vimal.
- (b) He invested Rs. 30,00,000 in RBI Floating Rate Savings Bonds on 1st September 2023 earning an interest of 7% p.a. Interest is credited half yearly on 1st January and 1st July every year. (Assume receipt basis for taxation)
- (c) He also paid LIC premium of Rs. 15,000 for self, Rs. 20,000 for wife and Rs. 30,000 for dependent father, aged 75 years. Medical insurance premium paid on the health of dependent brother and major dependent son amounted to Rs. 5,000 (paid by cheque) and Rs. 10,000 (paid in cash), respectively.
- (d) In December 2023, he earned dividend income of Rs. 5,00,000 (gross) on shares of the bank held by him.

You are required to compute his total income and tax liability for the assessment year 2024-25, clearly showing all workings. (Ignore section 115BAC provisions).

**(6 Marks)**

- (b) Mr. Ram, a resident Individual aged 65 years, submits the following details of his income for the assessment year 2024-25:

Particulars	Rs.
Loss from speculative business A	30,000
Income from speculative business B	1,50,000
Loss from specified business covered under section 35AD	20,000
Income from Salary (computed)	2,00,000
Loss from let out house property	1,90,000
Loss from cloth business	80,000
Long-term capital gain from sale of urban land	3,00,000
Long-term capital loss on sale of shares (STT not paid)	1,00,000
Long-term capital loss on sale of listed shares in recognized stock exchange (STT paid at the time of acquisition and sale of shares)	1,50,000
Income from betting (Gross)	80,000
Loss from gambling	8,000
Interest on saving bank deposits	12,000
Interest on fixed deposits with banks	40,000

Compute the total income of Mr. Ram and show the items eligible for carry forward, assuming that he does not opt for the provisions of section 115BAC.

**(4 Marks)**

**OR**

## MITTAL COMMERCE CLASSES

- (b) Mr. Sanjay has following incomes during the previous year 2023-24:
- (1) Interest on England Development Bonds (1/3 received in India) ₹ 60,000.
  - (2) Interest received from a non-resident ₹ 5,000 against a loan given to him to run a business in India.
  - (3) Royalty received from Akhil, a resident, for technical services given to run a business outside India ₹ 20,000.
  - (4) Income from business in Sri Lanka ₹ 25,000 out of which ₹ 15,000 were received in India. The business is controlled from India.
- Compute taxable income of Mr. Sanjay for the assessment year 2024-25 if he is a
- (I) Not ordinarily resident
  - (II) Non-resident

**(4 Marks)**

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### SECTION - B : GOODS AND SERVICES TAX (50 MARKS)

- (i) **Working Notes should form part of the answers. However, in answers to Questions in Division A, working notes are not required.**
- (ii) **Whenever necessary, suitable assumptions may be made by the candidates and disclosed by way of a notes.**
- (iii) **All questions should be answered on the basis of position of the GST law as amended by provisions of the CGST Act, 2017 and the IGST Act, 2017 as amended by the Finance Act, 2023, including significant notifications and circulars issued, up to 31st October, 2023.**

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### DIVISION A - MULTIPLE CHOICE QUESTIONS

**TOTAL MARKS: 15 MARKS**

**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.**

**Q. 1 to Q. 6 :**

**CASE SCENARIO**

XYZ Electronics Pvt. Ltd. is a leading electronic goods manufacturing company in Delhi. The company produces a wide range of products, including smartphones, laptops, and home appliances.

The sales by the Company are mainly through its distributors on the following credit terms:

For laptops – up to 15 days

For smartphones – up to 90 days

For other home appliances – up to 45 days

During the year, the Company purchased plant and machinery worth Rs. 1 crore exclusive of GST. The GST rate for such plant and machinery is 18%. The input tax credit on such plant and machinery is not blocked under any provision of the CGST Act, 2017.

The Company is planning to demerge its operations in relation to the laptops and other computer accessories from the next financial year. The demerged entity will be a separate legal entity of the Company in form of a wholly owned subsidiary of the Company having common Board of Directors.

The Company also participates in domestic and international level trade fairs to showcase its products and sale through those events. The Electronics Association of Rajasthan is organising a trade fair in Jaipur. The Company is keen to participate in the same. To ensure the GST compliances, the Company wants to obtain the GST registration as casual taxable person in the state of Rajasthan. The Company obtained the GST registration as casual taxable person in the state of Rajasthan with the validity period of 45 days.

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The Company transferred the goods from one of its godown in Delhi to another godown in Gujarat wherein the Company has a registered place of business. The value of goods transferred is Rs. 5 crores and the rate of GST applicable on such transfer is 18%. The tax invoice was issued, and GST was deposited by the Company. However, the consideration was not paid by the Gujarat office of the Company to the Delhi office even after 180 days of the invoice date. Further, there was no reverse movement of such goods from Gujarat godown to Delhi Godown.

Based on the information provided above, choose the most appropriate answer for the following questions-

1. What shall be the time limit to issue invoice for supply of smartphones on credit:
  - (a) Invoice shall be issued on 31st day from the date of removal of smartphones to distributors.
  - (b) Invoice shall be issued before or at the time of removal of smartphones to distributors.
  - (c) Invoice shall be issued at the time of receiving payment from distributors.
  - (d) Invoice shall be issued upon completion of credit term, i.e. 90 days.
  
2. In relation to the plant and machinery purchased by the Company, select the correct alternative from the following:
  - (a) ITC of Rs. 18 lakh can be claimed and value of asset on which depreciation can be claimed under the provisions of Income- Tax Act, 1961 shall be Rs. 1.18 crore.
  - (b) ITC of Rs. 18 lakh can be claimed and value of asset on which depreciation can be claimed under the provisions of Income- Tax Act, 1961 shall be Rs. 1 crore.
  - (c) ITC cannot be claimed in such transaction and value of asset on which depreciation can be claimed under the provisions of Income- Tax Act, 1961 shall be Rs. 1 crore.
  - (d) ITC of Rs. 18 lakh can be claimed and value of asset on which depreciation can be claimed under the provisions of Income- Tax Act, 1961 shall be Rs. 82 lakh.
  
3. How shall the demerged entity be treated under the provisions of GST Law?
  - (a) The demerged entity shall be treated as related party of the Company.
  - (b) The demerged entity shall be treated as distinct entity of the Company.
  - (c) The demerged entity shall be treated as additional place of business of the Company.
  - (d) The demerged entity shall be treated as sole selling agent of the Company.
  
4. The period of retention of books of accounts related to period prior to demerger under GST Law is:
  - (a) 36 months from the end of financial year
  - (b) 60 months from the end of financial year
  - (c) 72 months from the end of financial year
  - (d) 72 months from due date of furnishing annual return for the relevant financial year
  
5. The validity of GST registration as a casual taxable person in the state of Rajasthan is:
  - (a) 45 days
  - (b) 90 days
  - (c) 180 days
  - (d) 135 days



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6. Which of the following statements is true in relation to the non-payment of consideration by the Gujarat godown to Delhi godown?
- The Gujarat godown shall reverse the ITC availed on the goods received from Delhi and also required to pay interest computed from the date of invoice till the date of reversal of ITC.
  - The Gujarat godown shall reverse the ITC availed on the goods received from Delhi and no interest shall be applicable.
  - The restriction of 180 days for payment of consideration is not applicable in the present case.
  - The Delhi godown shall issue a credit note to Gujarat godown to reverse the supply.

**MCQ [6 MCQ of 2 Marks Each : Total 12 Marks]**

7. Sanu Associates, Delhi dealing in garments has ordered ladies suits from Sahiba Garments in Ludhiana (Punjab) which is 350 km away from its warehouse. E-way bill is generated by Sahiba Garments and the order is coming by a normal cargo. For how many days will the e-way bill be valid from the time it is generated?
- 24 hours
  - 2 days
  - 5 days
  - 7 days

**(2 Marks)**

8. 'Pihu' Ltd. has its registered office, under the Companies Act, 2013, in the State of Maharashtra from where it ordinarily carries on its business of taxable goods. It also has a warehouse in the State of Telangana for storing said goods. What will be the place of business of 'Pihu' Ltd. under the GST law?
- Telangana
  - Maharashtra
  - Both (a) and (b)
  - Neither (a) nor (b)

**(1 Mark)**

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### DIVISION B - DESCRIPTIVE QUESTIONS

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**QUESTION NO. 1 IS COMPULSORY**

**ATTEMPT ANY TWO QUESTIONS OUT OF REMAINING THREE QUESTIONS.**

**TOTAL MARKS: 35 MARKS**

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#### Question 1:

- (a) Himalaya Pvt. Ltd., a registered supplier of goods and services at Kolkata has furnished the following information for the month of February:

S. No.	Particulars	Amount (Rs.)
(i)	Intra-State supply of taxable goods including Rs. 1,00,000 received as advance in January, the invoice for the entire sale value is issued on 15th February	4,00,000
(ii)	Purchase of goods from a composition dealer, registered in Kolkata	5,50,000
(iii)	Services provided by way of labour contracts for repairing a single residential unit otherwise than as a part of residential complex (It is an intra-State transaction)	1,00,000
(iv)	Membership of a club availed for employees working in the factory (It is an intra-State transaction)	1,75,000

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(v)	Goods transport services received from a GTA. GST is payable @12% (It is an inter-State transaction)	2,00,000
(vi)	Inter-State services provided by way of training in recreational activities relating to sports	10,000
(vii)	Inter-State security services provided to ABC higher secondary school for their annual day function organised in Fintex Auditorium outside the School campus	15,000
(vii)	Inputs to be received in 4 lots, out of which 2nd lot was received during the month	40,000

The company has following ITCs with it at the beginning of the tax period:

Particulars	Amount (Rs.)
CGST	57,000
SGST	Nil
IGST	50,000

Note:

- (i) Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively.
- (ii) Both inward and outward supplies are exclusive of taxes, wherever applicable.
- (iii) All the conditions necessary for availing the ITC have been fulfilled.
- (iv) The turnover of Himalaya Pvt. Ltd. was Rs. 2.5 crore in the previous financial year.

Compute the minimum GST, payable in cash, by Himalaya Pvt. Ltd. for the month of February. Make suitable assumptions as required.

**(10 Marks)**

- (b)** Ajay Pvt. Ltd., Pune provides house-keeping services. The company supplies its services exclusively through an e-commerce website owned and managed by Hi-Tech Indya Pvt. Ltd., Pune. The turnover of Ajay Pvt. Ltd. in the current financial year is Rs. 18 lakh.

Advise Ajay Pvt. Ltd. as to whether they are required to obtain GST registration. Will your advice be any different if Ajay Pvt. Ltd. sells readymade garments exclusively through the e-commerce website owned and managed by Hi-Tech Indya Pvt. Ltd.?

**(5 Marks)**

### Question 2:

- (a)** State the order in which every taxable person discharges his tax and other dues under GST law, as provided under section 49 of the CGST Act, 2017.

**(3 Marks)**

- (b)** Examine whether the following activities would amount to "supply" under GST law?
- (i) Slory Ltd. is engaged in manufacturing and selling of cosmetic products. Seva Trust, a charitable organisation, approached Slory Ltd. to provide financial assistance for its charitable activities. Slory Ltd. donated a sum of Rs. 2 lakh to Seva Trust with a condition that Seva Trust will place a hoarding at the entrance of the trust premises displaying picture of products sold by Slory Ltd.
  - (ii) Mr. Swamy of Chennai is working as a manager with ABC Bank. He consulted M/s. Jacobs and Company of London and took its advice for buying a residential house in Mumbai and paid them consultancy fee of 200 UK Pound for this import of service.

**(3 Marks)**

## MITTAL COMMERCE CLASSES

- (c) Vivek Pvt. Ltd. provided the following particulars relating to goods sold by it to Ajeet Pvt. Ltd.:

Particulars	Amount (Rs.)
List price of the goods (exclusive of taxes and discount)	50,000
Tax levied by the Municipal Authority on the sale of such goods	6,000
Packing charges (not included in the list price above)	2,500
Subsidy received from a NGO, directly linked to price (not included in the list price above)	3,000
Paid to one of the vendors by Ajeet Pvt. in relation to the service provided by the vendor to Vivek Pvt. Ltd. (not included in the list price above)	2,000

Vivek Pvt. Ltd. offers 2% turnover discount on the list price after reviewing the performance of Ajeet Pvt. Ltd. The discount was not known at the time of supply. Ajeet Pvt. Ltd. delayed the payment and paid Rs. 5,000 (including GST of 18%) as interest to Vivek Pvt. Ltd.

Determine the value of taxable supply made by Vivek Pvt. Ltd. under GST law.

**(4 Marks)**

### Question 3:

- (a) Shri Ram Pvt. Ltd., a registered supplier, furnishes the following information relating to goods sold by it to Shri Shyam Pvt. Ltd.-

S. No.	Particulars	Amount (Rs.)
(i)	Price of the goods [excluding taxes and other charges mentioned at S. Nos. (iii), (v) and (vi)]	1,00,000
(ii)	Municipal tax	2,000
(iii)	Inspection charges	15,000
(iv)	Subsidy received from Shri Ram Trust [Subsidy is directly linked to the goods supplied]	50,000
(v)	Late fees for delayed payment inclusive of GST [Shri Shyam Pvt. Ltd. paid the late fees. However, these charges were ultimately waived by Shri Ram Pvt. Ltd. and the amount was refunded to Shri Shyam Pvt. Ltd. during the same month]	1,000
(vi)	Weighment charges [Such charges were paid by Shri Shyam Pvt. Ltd. to Radhe Pvt. Ltd. on behalf of Shri Ram Pvt. Ltd.]	2,000

Note: Price of the goods is net of the subsidy received.

Determine the value of taxable supply made by Shri Ram Pvt. Ltd. to Shri Shyam Pvt. Ltd.

**(6 Marks)**

- (b) Determine whether the suppliers in the following cases are eligible for composition levy, under section 10(1) & 10(2) of the CGST Act, 2017, provided their turnover in preceding year does not exceed Rs. 1.5 crore:
- (i) Mohan Enterprises is engaged only in trading of pan masala in Rajasthan and is registered in the same State.
  - (ii) Sugam Manufacturers has registered offices in Punjab and Haryana and sells goods manufactured by it in the neighbouring States.

**(4 Marks)**

## MITTAL COMMERCE CLASSES

### Question 4:

- (a) 'PQ', a statutory body, deals with the all the advertisement and publicity of the Government. It has issued a release order to 'Moon Plus' channel (registered in State 'A') for telecasting an advertisement relating to one of the schemes of the Government in the month of September 2023. The advertisement will be telecasted in the States of 'A', 'B', 'C', 'D' and 'E'. The total value of the service contract entered into between 'Moon Plus' and 'PQ' is ₹ 10,00,000 (exclusive of GST). You are required to determine the place of supply of the services in the instant case as also the value of supply attributable to the States of 'A', 'B', 'C', 'D' and 'E'. Further, compute the GST liability [CGST & SGST or IGST, as the case may be] of 'Moon Plus' as also advise it as to whether it should issue one invoice for the entire contract value or separate State-wise invoices. The other relevant information is given hereunder:

**Table 1**

States	Viewership figures of 'Moon Plus' channel in the last week of June 2023 as provided by the Broadcast Audience Research Council
A	50,000
B + C	1,00,000
D + E	50,000

**Table 2**

States	Population as per latest census (in crores)
A	50
B	180
C	20
D	100
E	25

The applicable rate of tax is as under:

CGST	SGST	IGST
9%	9%	18%

**(6 Marks)**

- (b) Mr. Ajay Singh, an unregistered famous author, received Rs. 3 crore of consideration from Shiv Bhawan Publications (SBP) located in Indore for supply of services by way of temporary transfer of a copyright covered under section 13(1)(a) of the Copyright Act, 1957 relating to original literary works of his new book. He finished his work & made available the book to the publisher, but has yet not raised the invoice. Mr. Ajay Singh is of the view that SBP is liable to pay tax under reverse charge on services provided by him. SBP does not concur with his view and is not ready to deposit the tax under any circumstances. Examine whether the view of Mr. Ajay Singh is correct. Further, if the view of Mr. Ajay Singh is correct, what is the recourse available with Mr. Ajay Singh to comply with the requirements of GST law as SBP has completely refused to deposit the tax.

**(4 Marks)**

**OR**

- (b) If a return has been filed, how can it be revised if some changes are required to be made?

**(4 Marks)**

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