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PART – I

30 Marks

(MCQ Portion)

- *Answers to MCQs are to be marked on the OMR answer sheet as given on the cover page of the descriptive answer book of Section-A only. Answer to MCQs, if written inside the descriptive answer book shall not be evaluated.*
- *Please write and darken correct MCQ booklet number in the OMR answer sheet. The correct MCQ booklet number must also be written in the attendance register.*

SECTION – A

Case Scenario – I

Vijay, a resident individual aged 57 years, is employed with a private sector Indian company. His basic salary was ₹ 1,20,000 p.m. during the FY 2025-26. Both, Vijay and his employer contribute 15% of basic salary to the pension scheme referred to in section 80CCD notified by the Central Government.

Vijay gifted a house property valued at ₹ 51 lakhs to his wife, Rashmi on 01/04/2025. On the same day, Rashmi gifted the same to her daughter-in-law, Anushka. Anushka let out the house for a monthly rent of ₹ 54,000 to Prabhas on 01/05/2025. All of these assesseees did not opt out of default tax regime for the AY 2026-27.



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Rashmi is a Chartered Accountant having gross receipts from profession amounting to ₹ 45 lakhs. For the FY 2025-26, she opted for the provisions of section 44ADA (she fulfilled all the conditions prescribed to opt for presumptive taxation).

Based on the facts of the case scenario given above, choose the most appropriate answer to the following questions :- (MCQ 1 to 4)

1. Examine the applicability of advance tax provisions in the hands of Rashmi, assuming she does not have any other income chargeable to tax (ignoring the income from house property gifted by her to her family as mentioned above) 2
 - (A) The due dates for deposit of advance tax by Rashmi is – 15th June – 15%, 15th September – 45%, 15th December – 75% and 15th March – 100%.
 - (B) Rashmi does not have any liability to deposit advance tax since she has opted for the default tax regime.
 - (C) Rashmi needs to deposit the entire amount of advance tax by 15th March of the relevant financial year.
 - (D) Rashmi needs to deposit at least 75% of the entire tax liability as advance tax by 15th March of the relevant financial year.

2. In whose hands the rental income will be taxed - Vijay, Rashmi or Anushka ? 2
 - (A) ₹ 4,15,800 shall be taxable in the hands of Anushka and nothing shall be taxable in the hands of Rashmi and Vijay.
 - (B) ₹ 4,15,800 shall be taxable in the hands of Vijay and nothing shall be taxable in the hands of Rashmi and Anushka.

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- (C) ₹ 4,15,800 shall be taxable in the hands of Rashmi and nothing shall be taxable in the hands of Vijay and Anushka.
- (D) ₹ 4,15,800 shall be taxable either in the hands of Vijay or Rashmi, whose total income before clubbing this rental income is higher.

3. Assume the property was gifted by Vijay to Bhanu, his major son, instead of his wife Rashmi, in whose hands the rental income will be taxed - Vijay or Bhanu ? Bhanu let-out the property to Prabhas on 01/05/2025 for a monthly rent of ₹ 54,000.

2

- (A) ₹ 4,15,800 shall be taxable in the hands of Bhanu and nothing shall be taxable in the hands of Vijay.
- (B) ₹ 4,15,800 shall be taxable in the hands of Vijay and nothing shall be taxable in the hands of Bhanu.
- (C) ₹ 4,15,800 shall be taxable 50-50 in the hands of Vijay and Bhanu.
- (D) ₹ 4,15,800 shall be taxable either in the hands of Vijay or Bhanu, whose total income before clubbing this rental income is higher.

4. What shall be the amount of deduction available to Vijay in respect of the contribution to the pension scheme ?

2

- (A) ₹ 1,50,000 under section 80CCD(2) only.
- (B) ₹ 1,44,000 under section 80CCD(1), ₹ 36,000 under section 80CCD(1B).
- (C) ₹ 2,01,600 under section 80CCD(2) only.
- (D) Nil since he did not opt out of the default tax regime.

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Case Scenario – II

Mr. Jayesh, a resident individual aged 45 years, is a proprietor of M/s Jayesh Enterprises having 2 units viz. Unit A and Unit B. The total sales of M/s Jayesh Enterprises for previous three financial years were ₹ 12 crores for 2025-26; ₹ 25 crores for 2024-25 and ₹ 22 crores for 2023-24. He transferred Unit A to M/s Rose Ltd. by way of slump sale on 12/01/2026, which was set up in October 2012. Mr. Jayesh paid professional fees and commission in connection with this transfer amounting to ₹ 20,000 and ₹ 35,000 respectively to Mr. Naresh, a resident individual.

The Balance Sheet of M/s Jayesh Enterprises as on that date is given below :

Liabilities	(₹ in lakhs)	Assets	(₹ in lakhs)
Owners Capital	4,100	Land (at revalued figure) (Unit A: 40%)	2,500
Accumulated balance in P & L Account	1,333.33	Plant & Machinery (at WDV) (Unit A: 40%)	2,500
Revaluation Reserve (created due to upward revaluation of land)	500	Sundry Debtors (Unit A: 25%)	600
Bank Loan (Unit A: 60%)	600	Closing Stock (Unit A: 40%)	833.33
Sundry Creditors (Unit A: 20%)	700	Other Assets (Unit A: 40%)	800
Total	7,233.33	Total	7,233.33

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Other Information :

- i. Slump sale consideration on transfer of Unit A was ₹ 1,600 lakhs. Fair market value of the Unit A on 12/01/26 was ₹ 1,750 lakhs.
- ii. Land was purchased on April 10, 2012 at ₹ 1,200 lakhs.
- iii. No individual value of any asset is considered in the transfer deed.
- iv. Other assets of Unit A include goodwill acquired and put to use on September 1, 2024 for ₹ 200 lakhs on which no depreciation has been charged. Remaining amount of other asset represents cash & bank balances.

Based on the facts of the case scenario given above, choose the most appropriate answer to the following questions :- (MCQ 5 to 7)

5. Compute the amount of net worth of Unit A for the purpose of slump sale for the assessment year 2026-27. 2

- (A) ₹ 2,103.33 lakhs (B) ₹ 2,053.33 lakhs
(C) ₹ 2,253.33 lakhs (D) ₹ 2,170.00 lakhs

6. Compute the amount of capital gain/loss arising from slump sale of Unit A for assessment year 2026-27. 2

- (A) Long term capital loss of ₹ 303.33 lakhs
(B) Short term capital gain of ₹ 304.43 lakhs
(C) Short-term capital loss of ₹ 353.88 lakhs
(D) Long term capital loss of ₹ 303.88 lakhs

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7. Compute the amount of tax deductible at source by Mr. Jayesh for assessment year 2026-27 on the amounts paid to Mr. Naresh.

2

(A) ₹ 2,700

(B) ₹ 1,750

(C) ₹ 700

(D) Nil

8. M/s YKR LLC, a foreign portfolio investor, non-resident in India, trading in listed shares and securities throughout the world, bought and sold equity shares of Indian company listed on a recognised stock exchange in India amounting to ₹ 15 crores. Under which head of income such profit shall be taxed in India ?

1

(A) Income from Other Sources

(B) Profits and gains from business or profession

(C) Capital Gains

(D) Not taxable in India in the hands of a non-resident

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SECTION - B

9. Mr. Aman a registered person, regular monthly return filer, filed GSTR 3B for the month of June 2025 on 25th September, 2025. The GST liability worked out to be of ₹ 30,000 (CGST+SGST) for the supplies made in the month of June 2025, which was paid with GSTR 3B for June 2025 on 25th September, 2025.

What will be the total interest amount (rounded off) payable under CGST Act, 2017 ?

2

(Assume 365 days in a year)

(A) ₹ 976

(B) ₹ 962

(C) ₹ 1006

(D) ₹ 991

10. M/s. Suraj Apparels is registered under GST in the State of Rajasthan. It sells leather handbags across India through e-commerce operator Y-kart.

Y-kart, not being an agent, is registered with Madhya Pradesh GST Authority as TCS collector and collects TCS on supplies made through it.

M/s. Suraj Apparels made sales of ₹ 4,60,000 and received sales returns of ₹ 88,500 in the month of October 2025. Sales are exclusive of tax whereas sales return is inclusive of tax. Leather handbags are taxable @ 18% IGST.

Determine the amount of TCS (IGST) to be collected by Y-kart for the month of October 2025.

1

Rounded off to nearest rupee.

(A) ₹ 3850

(B) ₹ 2272

(C) ₹ 1925

(D) ₹ 2300

Case Scenario – III

HHG & Co, a partnership firm (referred as firm), is engaged in manufacturing of semi-conductors located in Sanand (Gujarat). The firm became liable for registration on 14th April, 2025 as its turnover crossed ₹ 40 lakh. It applied for registration on 12th May, 2025 and was granted registration certificate on 16th May, 2025.

HHG & Co. opted for composition levy at the time of registration.

The total turnover of the firm, for the quarter ending June 2025 was ₹ 112 lakh, out of which taxable supply amounted to ₹ 102 lakh and exempt supply amounted to ₹ 10 lakh. Exempt supply has been undertaken only during the month of June 2025.

The turnover of the firm crossed ₹ 150 lakh on 11th July, 2025. Hence HHG & Co. opted for withdrawal from composition scheme on the said date and opted monthly filing of return.

The firm imported following services during the month of October 2025 :

- (a) Management consultancy services from Mr. Vijay Kapoor, a renowned lawyer in Dubai, who was an ex-employee of the firm. The value of the said service was ₹ 2,00,000. Even though it was used in the furtherance of the business, no consideration was paid by the firm.
- (b) Architect services from Mr. Sunil, who is partner in HHG & Co., who resides in France for ₹ 1,50,000. The said service was paid but not used for the furtherance of the business.

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It also entered into a contract with VGT Ltd. of Chennai, on 12th September, 2025 for the supply of taxable goods worth ₹ 14 lakh. The payment for the same was received on 14th September, 2025. The goods were scheduled for delivery on 27th September, 2025 but were removed from the factory on 26th September, 2025.

On 10th October, 2025, HHG & Co. supplied taxable goods in the territorial waters which is located at a distance of 11 nautical miles from the baseline of Kerala and 9 nautical miles from the baseline of Tamilnadu to SLM Ltd, registered person in the State of Karnataka for ₹ 8,00,000.

All figures are exclusive of GST.

Based on the information given above, choose the most appropriate answer for the following **Question Nos. 11 to 16.**

11. The date by which an invoice must be issued to VGT Ltd is : 2
- (A) 14th September, 2025
 - (B) 12th September, 2025
 - (C) 27th September, 2025
 - (D) 26th September, 2025
12. What will be the place of supply for the transaction with SLM Ltd. ? 2
- (A) Tamilnadu
 - (B) Karnataka
 - (C) Gujarat
 - (D) Kerala



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13. HHG & Co. needs to furnish a statement containing details of stock of inputs/ inputs held in semi-finished / finished goods on the withdrawal of composition scheme by _____ 2
- (A) 11th July 2025
- (B) 25th July 2025
- (C) 10th August 2025
- (D) 9th August 2025
14. The effective date of registration for HHG & Co. will be : 2
- (A) 16th May, 2025
- (B) 14th May, 2025
- (C) 14th April, 2025
- (D) 12th May, 2025
15. Compute the tax payable by HHG & Co. for the quarter ending June 2025. 2
- (A) ₹ 36,000 each under CGST and SGST
- (B) ₹ 31,000 each under CGST and SGST
- (C) ₹ 56,000 each under CGST and SGST
- (D) ₹ 51,000 each under CGST and SGST

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16. Import of services during the month of October 2025, that will be treated as supply is ₹ _____.

2

(A) Nil

(B) ₹ 150000

(C) ₹ 350000

(D) ₹ 200000

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PART – II

70 Marks

(Descriptive Portion)

(Candidates are required to give descriptive answers for this part inside the answer book)

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 relate to assessment year 2026-27, unless otherwise stated. Significant notifications/circulars issued upto 31st October, 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. All questions in Section -B should be answered on the basis of position of GST Law as amended by the Finance Act 2025 and significant notifications/circulars which have become effective upto 31st October 2025.

2. Working notes should form part of the answer.

3. Answers to the questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate has not opted for Hindi Medium, his/her answers in Hindi will not be evaluated.

4. Answers to Questions of Part I (i.e MCQ) are to be marked on the OMR answer sheet given on the cover page of descriptive answer book of Section-A only. Answers to questions in Part II are to be written in their respective descriptive answer book. Answers to MCQs, if written inside the descriptive answer book will not be evaluated.

SECTION – A

1. Mr. Prakash, a resident individual aged 64 years, is in the business of manufacturing tyres. He prepares his accounts on mercantile basis. His Statement of Profit and Loss showed a net profit of ₹ 1,20,00,000 for the year ended 31st March 2026 after debiting or crediting the following items : 15

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- i. Depreciation as per books - ₹ 10,00,000
- ii. Interest paid on loan taken from a scheduled bank to buy pollution control equipment (see point (iii) in additional information) – Amount of loan ₹ 8,52,000 @10% p.a. which was taken on 1st June 2025. Entire interest paid was debited to the Statement of Profit and Loss.
- iii. Purchase of raw materials includes an amount of ₹ 1,00,000 towards purchases made from a micro-enterprise (as per section 15 of the Micro, small, Medium Enterprises Development Act, 2006). The purchase was made on 1st February 2026, but the payment was made on 20th July 2026 (within the due date of filing of return of income). There was no agreement as regards the payment terms with the seller.
- iv. Interest of ₹ 2,50,000 (gross) on enhanced compensation on compulsory acquisition of his factory building by the Government based on a court order. However, he actually received the amount in his bank account on 20th May 2026.
- v. ₹ 50,000 given as the contribution through an account payee cheque for a brochure of a political party actively working in the vicinity of factory and registered u/s 29A of the Representation of the People Act, 1951.
- vi. ₹ 2,00,000 received as dividend from Indian companies during the year and credited to P&L. Interest of ₹ 65,000 was incurred on loan taken to earn dividend income has been debited to Statement of Profit and Loss account. All dividends were below the ambit of TDS provisions.

Additional information :

- i. He had taken a housing loan from a scheduled bank for purchase of a flat for self-occupation on 1st April 2025. Interest of ₹ 2,15,000 and principal repayment of loan of ₹ 1,10,000 is reflected in his bank statement. Municipal tax of ₹ 20,000 was paid during the year from his savings bank account.
- ii. A new machinery costing ₹ 50,00,000 (first machinery in the 15% block) was purchased on 1st September 2024. It was installed and put to use on 24th October 2024. He did not own any other depreciable asset on the date of the acquisition of this machine.
- iii. He also imported an air pollution control equipment (falling under 15% block), which was previously used outside India by the seller, at a cost of ₹ 10,00,000 on 1st June 2025. For this purpose, he took a loan from a scheduled bank amounting to ₹ 8,52,000 at an interest rate of 10% p.a. on 1st June 2025. The equipment was delivered on 15th September 2025 and was put to use on 1st October 2025.
- iv. During the Financial Year 2023–24, the Central Government compulsorily acquired factory building which had been used by him for manufacturing rubber products for the past five years. He received compensation of ₹ 20,00,000 on 15th March 2025 and deposited the whole amount in the Capital Gains Account Scheme within the due date of filing the return of income. The building was purchased by him for ₹ 5,08,052 on 1st April 2018. The written down value (WDV) of the building block as on 31st March 2023 was ₹ 3,00,000. He has shifted the production to a leased hold building till the purchase of new factory building. On 1st April 2025, Mr. Prakash purchased a new factory building which is falling under 10% block for at a cost of ₹ 15,00,000.

CII for FY 2023-24 : 348, FY 2025-26 : 376

You are required to compute the total income and tax liability of Mr. Prakash under both the regimes and suggest the one which is more beneficial to him for the AY 2026-27 assuming he has never opted for the default tax regime since the relevant assessment year.

2. (a) Mr. Shankar, aged 44 years, is an Indian citizen. He graduated from ABC University, UAE and was employed in Nomad Skills LLC, UAE since April 2016. He never visited India in between. He resigned from Nomad Skills LLC in November 2025, completed all the formalities while staying in UAE till 10/12/2025 and came back to India on 11/12/2025 to join Shakin Pro Limited as CEO of the company. He received gross salary amounting to ₹ 36,00,000 from Nomad Skills LLC upto November 2025 in UAE for 2025-26 in his bank account maintained in UAE. His salary was not taxable in UAE since UAE does not tax individuals on their incomes. He received gross salary from Shakin Pro Limited from December 2025 to March 2026 amounting to ₹ 8,50,000. He also sold listed equity shares of Indian companies, which were sold by him in October 2025, as per the following details :

Name of Company	No. of Shares	Date of acquisition	Cost of acquisition (₹)	Date of Transfer	Sale Price per share (₹)	FMV as on 31.01.2018 (₹)
X Ltd.	300	15.02.2016	1400	23.10.2025	3200	1800
Y Ltd.	250	01.08.2023	2300	08.10.2025	3300	1900

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STT was paid both at the time of purchase and sale.

He also received winning from online games in India amounting to ₹ 70,000 in March 2026.

Determine the residential status of Mr. Shankar, as per the provisions of Income-tax Act, 1961 and compute his total income for AY 2026-27 assuming he did not opt out of default tax regime.

- (b) Examine the applicability of tax deducted/ collected at source as per the provisions of the Income-tax Act, 1961 and calculate the amount of TDS/TCS for A.Y. 2026-27 in the following independent situations : 4
- (i) M/s. Stylo Enterprises, an Indian partnership firm deals in branded handbags and wristwatches. It opened a showroom at a luxury mall in Delhi in April 2025. Mr. X, a resident bollywood star, purchased a handbag of "GICCI" brand worth ₹ 12,00,000 from M/s. Stylo Enterprises for his wife as anniversary gift on 10/01/2026. He also purchased a wrist watch of RAWO brand worth ₹ 9,22,000 on 15/01/2026 for his son as his birthday gift.
- (ii) M/s Robo Ltd., an Indian company, made a payment of ₹ 3,00,000 to Mrs. Sandhya, a resident individual, on 12/04/2025, for the supply of new year diaries manufactured as per the specifications of M/s Robo Ltd. However, no material was supplied by M/s Robo Ltd. to Mrs. Sandhya for the production of such diaries.

3. (a) Mr. Pratham is employed with a private sector company as Manager (Production) stationed in the city of Dhanbad, Jharkhand. His monthly basic salary is ₹ 80,000. The company also maintains and runs an engineering college in Ranchi, Jharkhand where his son is admitted to study mining engineering. He gives you the following additional details regarding his other receipts/ perquisites from his employer or from others during the financial year 2025-26 :
- (i) On 02/09/2025, he was transferred from Dhanbad to Jamshedpur, Jharkhand where he was provided with a room in a prominent hotel as a residence for his stay in Jamshedpur from 02/09/2025 to 12/09/2025. The rent of hotel room was ₹ 4,500 per day.
 - (ii) His employer sold a car to him on 01/08/2025 for ₹ 2,50,000. The company had purchased this car on 01/07/2023 for ₹ 5 lakhs. The car fell under the 15% block of assets in the books of the company.
 - (iii) His employer entered into a staff group insurance scheme with a Government Insurance Agency. During the FY 2025-26, his employer paid ₹ 2.50 lakhs as the premium on the life of Mr. Pratham.
 - (iv) The annual fee for other students in the same college in which his son studies is ₹ 2,00,000. However, his company provides education to his son for free of cost.
 - (v) He went on a holiday within India with his 3 children (one major son and 2 twin minor daughters) and his brother who is dependent on him. The total air and train cost incurred by him on the travel was ₹ 3,00,000 (₹ 60,000 per person). He travelled in economy class flights or 3-AC train compartments. The entire amount was reimbursed by his employer since it was his first trip in the last 20 years.

- (vi) His wife expired in May 2024 on duty. She was employed with Government School as a school teacher. The family pension received by Mr. Pratham during F.Y. 2025-26 is ₹ 2,50,000.
- (vii) Pratham received a sum of ₹ 10 lakh from a trust registered under section 12AB of the Income-tax Act.

Compute the total income of Mr. Pratham assuming he has opted out of default tax regime for the A.Y. 2026-27. Provide brief reasons for the treatment of items wherever necessary.

- (b) Mr. Avinash, a resident individual aged 45 years, booked an apartment in Pune in the financial year 2020-21 for ₹ 50,00,000. He took possession of this apartment on 01/04/2025. The stamp duty value of the apartment as per the municipal records was on 01/04/2025 was ₹ 75,00,000 and on the date of booking was ₹ 60,00,000. He had paid ₹ 5,00,000 by demand draft as a down payment on the date of booking. Also, on 16/01/2026 his gold chain costing ₹ 6,00,000 (which was purchased on 20/08/2025) was stolen during the marriage party (when the FMV of the chain was ₹ 13,00,000). On 28/03/2026 he received insurance claim of ₹ 4,50,000 towards this loss.
- Discuss the taxability of these transactions in the hands of Avinash. Assume he did not opt out of the default tax regime for the AY 2026-27, and did not have any other income during the year.

4. (a) Mr. Navyam, a resident individual, aged 39 years, gives you the following particulars about his income for the previous year 2025-26 :

- (i) Profit from chemical dealership business – ₹ 2,73,000
- (ii) Income from speculative business – ₹ 1,90,000
- (iii) Loss from betting – ₹ 1,60,000
- (iv) Gross dividend from Indian Companies – ₹ 1,47,000
- (v) Loss on maintenance of race-horses – ₹ 1,20,000
- (vi) Rental income (computed as per the relevant provisions of the Income-tax Act) – ₹ 2,52,000
- (vii) Loss from self-occupied house property – ₹ 2,00,000
- (viii) His minor daughter has won the award from the dance performance on TV. This amount was given to his father – ₹ 3,00,000
- (ix) Profit from a business specified under section 35AD – ₹ 6,50,000

The other details of unabsorbed depreciation and brought forward losses (pertaining to different assessment years) are :

- (i) Unabsorbed depreciation for the A.Y 2023-24 – ₹ 6,80,000
- (ii) Loss from Happy Stay Business (pertaining to A.Y. 2023-24) – ₹ 2,10,000
- (iii) Loss from speculative business –
 - pertaining to A. Y. 2022-23 – ₹ 1,60,000
 - pertaining to A. Y. 2020-21 – ₹ 2,20,000
- (iv) Loss from let out house property of ₹ 1,60,000 related to A.Y. 2024-2025 for which belated income tax return was filed.
- (v) Loss from business specified under section 35AD (pertaining to A.Y. 2023-24) – ₹ 4,50,000

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Required : (i) Compute the gross total income of Mr. Navyam for the Assessment Year 2026-27 assuming he has opted for default tax regime provided under Section 115BAC of the Income-tax Act, 1961.

(ii) List out the losses to be carried forward to further assessment years specifying the Assessment Year up to which such losses can be carried forward.

(b) Mention the due dates/time limit up to which action can be taken in the following cases as per the relevant provisions of the Income-tax Act, 1961 – 4

(i) Filing of updated return of the income as per sub-section (8A) of section 139 in case of a partnership firm.

(ii) Income-tax return under section 139(1) in respect of a non-working partner of a firm whose accounts are required to be audited under the provisions of the Income-tax Act.

(iii) Filing revised return under section 139(5) in case of an Indian company.

(iv) Applying for permanent account number in respect of a resident individual, if his total income during the FY 2025-26 exceeded the maximum amount which is not chargeable to income-tax on 31/08/2025.

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(b) In the following independent cases, state whether the assessee is required to file an Income Tax Return for Assessment Year 2026-27. Give reasons in support of your answer. 4

(i) Mr. Dhruv, aged 62 years, having interest from fixed deposits amounting to ₹ 2,70,000. The TDS deducted on his fixed deposit interest by the bank amounts to ₹ 26,000. No other tax was deducted or collected at source. He also made a cash deposit of ₹ 10,00,000 in his savings bank account, but the total deposits in his savings bank account (including the cash deposit and other credits) aggregated to ₹ 48,00,000. (assuming he has opted out of default tax regime).

(ii) Dr. Nirav (aged 50 years) is a renowned heart surgeon practicing as a sole proprietor. His gross receipts from the medical profession during the year were ₹ 10,50,000. After deducting of allowable business expenditure of ₹ 8,10,000, his net profit is ₹ 2,40,000. During the year, he has earned ₹ 10,000 as an interest from saving bank a/c. (assuming he has opted for default tax regime).

SECTION – B

5. (a) SSP Ltd, a registered person under GST in Gandhinagar (Gujarat), is engaged in making various supplies of goods and services. It provides the following details regarding the transactions undertaken in the month of October 2025 :

Sr. No.	Outward Transactions	Amount (₹)
(i)	<p>Supply of goods to Mr Kartik of Bharuch (Gujarat) who is an unregistered person.</p> <p>Out of supply of goods for ₹ 6,00,000, ₹ 1,00,000 is for exempted goods but no separate invoice has been made for exempt supply and both supplies were shown in the same invoice as different items.</p>	6,00,000
(ii)	<p>Issued voucher on 15/10/2025 to AVC Ltd of Kanpur (Uttar Pradesh) which can be redeemed against the Combo of one personal pizza and one vegetable burger before 14/11/2025.</p>	50,000
(iii)	<p>Provided local delivery service of goods through M/s B-kart, a registered Electronic Commerce Operator (ECO), who is registered in the State of Gujarat.</p>	10,50,000
(iv)	<p>Stock transferred without consideration to branch of SSP Ltd in Ahmedabad. Branch has different GSTIN as it works in different segment.</p> <p>(The Value of goods for such branch transfer can be taken as ₹ 3,50,000 as per Valuation Rules under GST law)</p>	----
(v)	<p>Provided pure labour services of construction of single commercial unit located in Rajasthan not forming part of any residential complex to a customer in Jaipur (Rajasthan).</p>	6,00,000

	Inward Transactions	Amount (₹)
(i)	Fees paid to CA Vijay Jain, a practicing Chartered Accountant of Mumbai, not registered under GST. ₹ 2,00,000 for the statutory audit and ₹ 25,000 for certification work.	2,25,000
(ii)	On 02/10/2025 SSP Ltd purchased taxable goods valued ₹ 15,00,000 from VXT Ltd a registered person in State of Rajasthan. VXT Ltd raised taxable invoice for ₹ 15,00,000. However, the SSP Ltd paid only ₹ 14,50,000 to VXT Ltd as full and final payment on 25/10/2025 and the supplier VXT Ltd issued a Commercial/ Financial credit note of ₹ 50,000 on the same date of payment.	15,00,000

Additional Information :

- (i) SSP Ltd paid ₹ 75,000 as monthly rent to its full time director Mr Rajan Yadav, an unregistered person located in Ahmedabad (Gujarat) for using building owned by Mr Rajan Yadav as Head Office of SSP Ltd. Mr Rajan Yadav rented the building in his personal capacity.
- (ii) Accountant of SSP Ltd is of the view that since local delivery service of goods provided as Goods Transport Agency, therefore it is exempt. He is also of the view that even if considering it as taxable, SSP Ltd is not required to pay tax, since M/s B-kart is registered Electronic Commerce Operator (ECO) and M/s B-kart will pay tax under Reverse Charge Mechanism (RCM).
- (iii) All the figures are exclusive of GST, wherever applicable.

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- (iv) All the conditions necessary for availing the input tax credit have been complied with and details of GST paid on inward supplies are available in GSTR 2B. There is an opening balance of CGST of ₹ 1,75,000 as Input Tax Credit at the beginning of the month.
- (v) Assume that all the inward supplies are used for outward taxable supplies only.
- (vi) Turnover for the previous financial year was ₹ 290 Lakh.
- (vii) Wherever details for determination of Place of Supply are not given in the question, it shall be taken as Intra-State transaction.
- (viii) Assume the applicable rates of GST for all outward and inward supplies are IGST 18%, CGST 9% and SGST 9%.

Compute the **net minimum GST liability** of SSP Ltd to be paid in cash if any, for the month of October 2025, after utilising input tax credit.

Note : Calculate GST for each point separately and legal explanations for each point should form part of the answer but detailed provision for place of supply is not required.

- (b) Kabira Industries (a proprietorship concern registered under GST) trades in taxable goods. 5

Details for the month of July 2025 are as follows :

Sr No	Particulars	Amount (₹)
1	Total Outward taxable supplies	53,00,000
2	Total Inward supplies	48,00,000
3	Opening balance of electronic credit ledger	1,12,500

Additional Information :

- Income tax paid by proprietor in financial year 2022-2023 and 2023-2024 is ₹ 90,000 and ₹ 1,20,000.
- Input tax credit refund on export supplies without payment of tax of ₹ 1,05,000 was received in FY 2023-2024 & ₹ 83,000 in FY 2024-2025.
- Tax liability and tax payment in cash for last 3 months are :

Month	GST Payable on Outward Supply under Forward Charge (₹)	GST paid through Cash ledger (₹)
April, 2025	3,60,000	5,500 (includes ₹ 1,000 RCM payment)
May, 2025	3,20,000	5,000 (includes ₹ 500 RCM payment)
June, 2025	4,20,000	4,000

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4. Inward supplies mentioned above are eligible for Input Tax Credit (ITC).
5. All the conditions necessary for availing ITC have been complied with.
6. GST to be calculated at the rate of 18%. Bifurcation of CGST, SGST and IGST to be ignored.
7. All inward and outward supply figures are exclusive of GST.

Calculate maximum input tax credit (ITC) that can be utilized for payment of GST and net GST liability to be paid through electronic cash ledger for the month of July 2025 by Kabira Industries, considering the provisions of Rule 86B of CGST Rules, 2017.

6. (a) BVG Ltd., a registered supplier of Bengaluru (Karnataka), is a manufacturer and trader of goods. Following information has been provided by BVG Ltd. pertaining to GST on inward supplies during the month of October 2025 :

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Sr. No.	Particulars	GST (₹)
(i)	Purchased raw material which has been used for zero rated supply.	70,000
(ii)	Works contract service for making foundation and structural support to plant and machinery which has been capitalised in the books.	10,250
(iii)	Purchase of raw material from M/s. Amber Enterprises Pvt. Ltd. registered in the State of Punjab. (It includes the GST of ₹ 40,000 on raw material which has been purchased on 15-03-2025 but the invoices were uploaded in GSTR-1 on 27-10-2025 and such details have been communicated to the recipient in Form GSTR-2B)	4,00,000

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(iv)	Purchased a new truck from a dealer in Bengaluru (Karnataka) for transport of raw material. BVG Ltd. claimed depreciation under the Income-tax Act, 1961 on the value of new truck purchased including all applicable taxes.	12,00,000
(v)	BVG Ltd. ordered 3 independent orders for tools to be used in repair of machine to ABG Ltd which consists GST of ₹ 1,00,000 for each order, the tools will be delivered in various lots. However out of these 3 orders, tools for 2 orders delivered in the month of October 2025. Whereas 50% tools for 3rd order has been delivered in the month of October 2025 and remaining 50% delivered in the month of November 2025, although GST already paid for all orders.	3,00,000

Other information :

All the above inward supplies except at Sr. No. (i) above have been used in the *manufacture of taxable goods*. Inward supplies at Sr. No. (i) above have been used in the *manufacture of exempt goods*.

Annual return for the Financial Year 2024-25 has been filed on 25/10/2025.

Ignore the bifurcation of the CGST, SGST and IGST.

Subject to the information given above, assume that all the other conditions necessary for availing ITC have been complied with.

Compute the amount of total eligible Input Tax Credit (ITC) that can be availed by BVG Ltd in the month of October 2025, with necessary explanations for the treatment of each item separately as per the provisions of the GST Law.

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(b) Sky Airways Pvt Ltd. (referred as SAPL), operating Sky Airlines, registered under GST in Chennai, Tamilnadu reported following supplies : **5**

- (1) Ravi, an unregistered person from Mumbai (Maharashtra) booked a round-trip ticket from Delhi to Jaipur on 07.04.2025 for a consolidated payment.
- (2) On booking ticket Ravi entered into the Silver Tier of the SAPL which unlocked concessional ticket which could be used by him in future for travel between any two domestic locations.
- (3) While his journey back from Jaipur to Delhi, Ravi paid to SAPL (Sky Airlines) for watching a movie.

You are required to determine place of supply for above supplies.

7. (a) HIM Corporation, a public sector undertaking registered under section 51(1)(d) of CGST Act, 2017 in Shimla (Himachal Pradesh) for deduction of tax at source, provided following details regarding payment of bills during the month of May 2025 : **5**

Sr. No	Particulars	Value of Supply (₹)
1	Hilux Traders registered in the State of Himachal Pradesh for supply of lab equipment.	2,45,000
2	Arun, labour contractor registered in the State of Himachal Pradesh, for supply of manpower.	2,60,000
3	Adhunik Heavy Electricals, a registered public sector undertaking registered in Raipur (Chhattisgarh) for supply of goods.	3,80,000
4	Jain & Sons registered in Ludhiana (Punjab) :	
	a) For providing rights to use space for hoarding mounted on the ground in the State of Himachal Pradesh	4,20,000
	b) For providing rights to use space for hoarding mounted on the ground in Chandigarh (Punjab)	3,00,000

Additional Information :

1. All the amounts given are exclusive of GST.
2. Rate of GST for goods supplied by Adhunik Heavy Electricals is IGST 5%, CGST 2.5%, SGST 2.5%. For all other transactions rate of GST is IGST 18%, CGST 9%, SGST 9%

Calculate the amount of tax deducted at source (TDS) to be deposited by HIM Corporation for the month of May 2025.

- (b) Reproduce the list of additional accounts and records to be maintained by the person executing works contract under the provisions of Rule 56(14) of the CGST Rules, 2017. 5
8. (a) Expand the meaning of "Specified Actionable Claims" as per the provisions of Section 2(102A) of CGST Act, 2017. Explain the treatment of Specified Actionable Claims and other Actionable Claims under CGST Act, 2017. 5
- (b) As per the explanation to Section 31 of the CGST Act, 2017, the expression "tax invoice" shall include any revised tax invoice issued by supplier in respect of a supply made earlier. 5
- In reference with above explanation and as per the provisions of section 31(3)(a) of the CGST Act, 2017 and Rule 53 of the CGST Rules, 2017 :
- (i) Describe the condition under which revised tax invoice can be issued.
 - (ii) Whether registered person is required to issue consolidated revised tax invoice in respect of taxable supplies made to an unregistered person.

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(b) Section 44(1) of the CGST Act, 2017 provides that the Commissioner **5**
may on the recommendations of the Council, by notification, exempt any
class of registered persons from filing annual return.

(i) In accordance with provisions of section mentioned above, list out
the registered persons who are exempt or not required to file annual
return.

(ii) Mention the due date by which annual return is required to be filed
for a financial year.

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