

Roll No. 522647

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 16

NOTE : (1) Answer **ALL** Questions.(2) **ALL** the references to sections in Part-I of the Question Paper relate to the Income-Tax Act, 1961 and relevant Assessment Year 2025-26 unless stated otherwise.(3) **ALL** the references to sections in Part-II of the Question Paper relates to the Provisions of GST Laws and the Customs Act, 1962.

(4) Wherever necessary, suitable assumptions can be made by the candidate and stated clearly in the answer.

(5) Working notes should form part of your answer.

PART-I

1. Mrs. Ankita aged 50 years, a resident individual and practicing Company Secretary, furnishes you the receipts and payments account for the financial year 2024-25.

Receipt and Payment Account

Receipt	Amount (₹)	Payment	Amount (₹)
Opening balance Cash on hand and at Bank as on 1.4.2024	10,000	Staff salary, bonus and stipend to articled assistants	21,00,000
Fee from professional services (Gross)	50,00,000	Other administrative expenses	11,50,000
Rent from House Property	60,000	Office rent paid in a Complex	30,000
Motor car loan from SBI Bank (on 1.1.2025 @ 9% p.a.)	2,40,000	Housing loan repaid to SBI (includes interest of ₹ 80,000)	1,88,000

Interest from Saving bank account	12,500	Life insurance premium of her spouse (10% of sum assured)	24,000
		Motor car (acquired on 1st Jan., 2025 by A/c payee cheque)	4,25,000
		Medical insurance premium (for self and her husband paid through mobile UPI)	18,000
		Books bought on 1.07.2024 (annual publications by A/c payee cheque)	20,000
		Computer acquired on 1.12.2024 by A/c payee cheque (for professional use)	30,000
		Public provident fund subscription for own	20,000
		Motor car maintenance	20,000
		Closing balance Cash on hand and at Bank as on 31.3.2025	12,97,500
	53,22,500		53,22,500

Following further information is given to you :

- (1) She occupies 50% of the building for own residence and let out the balance for residential use at a monthly rent of ₹ 5,000. The building was constructed during the year 1997-98, when the housing loan was obtained.
- (2) Motor car was put to use both for official and personal purpose. 1/5th of the motor car use is used for personal purpose.

: 3 :

- (3) The written down value of assets as on 01.04.2024 are given below :

Furniture & Fittings : ₹ 60,000

Plant & Machinery (Air-conditioners, Photocopiers, etc.) : ₹ 80,000

Computers : ₹ 50,000

On the basis of the above information, you are required to give the following answers, assuming that she has shifted out of the default tax regime under section 115BAC :

- (a) Compute the income chargeable under the head of house property for Ankita for the assessment year 2025-26.

(3 marks)

- (b) Compute the total depreciation allowable as per Income Tax Act, 1961 under the head of Profits and Gains from Business & Profession for Ankita for the assessment year 2025-26.

(3 marks)

- (c) Compute the total income chargeable under the head of Profits and Gains from Business & Profession for Ankita for the assessment year 2025-26.

(3 marks)

- (d) Compute the total allowable deduction under chapter VI-A of the Income Tax Act, 1961 for Ankita for the assessment year 2025-26.

(3 marks)

- (e) Compute the total income of Mrs. Ankita for the assessment year 2025-26 as per Income Tax, 1961.

(3 marks)

2. (a) Mr. Sunil Joshi, age 63 years, a resident individual, gives the following particulars of his receipts for financial year 2024-25 :

Particulars	Amount (₹)
Installment received from the bank under reverse mortgage arrangement	2,50,000
Interest on bank term deposits	2,00,000
Interest on bank saving A/c	45,000
Pension received from Central Govt.	6,00,000
STCG on sale of dining table and chairs	90,000
Income from dairy farming business	50,000

Compute Sunil's total income and Income Tax liability for the assessment year 2025-26 considering that he has opted the benefit of default tax regime under section 115BAC.

(5 marks)

- (b) Mr. Ramesh furnishes the following details for year ended 31.03.2025 :

Particulars	Amount (₹)
Short Term Capital Gain	3,80,000
Loss from Speculative Business	1,50,000
Long Term Capital Gain on Sale of Land	60,000
Long Term Capital Loss on Sale of shares (STT not paid)	3,00,000
Income From Business of Textile (after allowing current year Depreciation)	1,00,000
Income From Salary (Computed)	2,00,000
Loss from Let-Out House Property	80,000
Share of Loss from Firm	1,80,000

Following are the information relating to Carry Forward of Losses :

Brought Forward Loss from Business of Textile ₹ 1,20,000- this being the 8th year from the year of Loss.

Compute Gross Total Income of Mr. Ramesh for the assessment year 2025-26, if he has exercised the option of shifting out of default tax regime provided under Section 115BAC. Also state the eligible Carry Forward losses for future years.

(5 marks)

: 5 :

- (c) Sanjay owns a house property whose Municipal Value, Fair Rent and Standard Rent are ₹ 96,000, ₹ 1,26,000 and ₹ 1,08,000 (per annum), respectively. During the financial year 2024-25, one-third of the portion of the house was let out for residential purpose at a monthly rent of ₹ 5,000. The remaining two-third portion was self-occupied by him. Municipal tax @ 11% of municipal value was paid during the year. The construction of the house began in June, 2019 and was completed on 31-5-2022. Vikas took a loan of ₹ 1,00,000 on 1-7-2019 for the construction of building. He paid interest on loan @ 12% per annum and every month such interest was paid. Assume whole principal amount is outstanding till 31.03.2025. Compute income from house property of Sanjay for the A. Y. 2025-26 if he has exercised the option of shifting out of the default tax regime provided under section 115BAC.

(5 marks)

3. (a) The particulars given below are of Mr. Ramaswamy's income (age 57 years) posted in J. K. Swami Pvt. Ltd. in Hyderabad, for the previous year 2024-25 :
- (1) Basic Pay 30,000 per month till January 31, 2025, ₹ 35,000 p.m. from February 2025.
 - (2) Dearness allowance 30% of basic salary (50% of DA forms part of retirement benefits).
 - (3) Employee's contribution to recognized provident fund ₹ 72,000 and his employer matches the same contribution.
 - (4) Leave encashment received for P.Y. 2024-25 ₹ 15,000.
 - (5) He also received salary for the month of April, 2025 in advance without Dearness allowance on 31st March 2025. Also, he received an arrear salary for the month of March, 2024 on the same day assuming it is taxed on the due basis.

- (6) The employer also spent ₹ 74,000 on a refresher course for upgrading Mr. Ramaswamy's skills.
- (7) Motor Car owned and driven by Mr. Ramaswamy and engine capacity within 1.6 liters, used partly for official and partly for personal purposes. Running & Maintenance expenses borne by the employer during the year was ₹ 46,600.

Compute the taxable salary income of Mr. Ramaswamy for the assessment year 2025-26 assuming that he has opted out of the default tax regime under section 115BAC.

(5 marks)

- (b) Prakash (age 41 years), who is a resident in India, is a person with disability (disability below 80%), he provides the following particulars of his income for the year ended 31.3.2025 :

S. No.	Particulars	Amount (₹)
1.	Dividend received from Domestic Company	1,78,000
2.	Interest on government securities (gross)	46,000
3.	Honorarium from school of orphanage for giving his part time service	50,000

He has donated ₹ 20,000 to the school for orphanage which is approved as a charitable institution and contributed ₹ 2,000 to Prime Minister National Relief Fund.

He has deposited ₹ 20,000 in Public Provident Fund Account on 31.03.2025.

He has also paid ₹ 3,000 by credit card as premium of Mediclaim policy of his dependent Son.

His father is also a person with disability (disability below 65%) and is dependent on him for medical treatment and rehabilitation. Prakash spends ₹ 8,000 during the year on him.

Compute the Total Income of Prakash for the assessment year 2025-26, assuming that he has not opted the default tax regime under section 115BAC of the Income Tax Act, 1961.

(5 marks)

: 7 :

- (c) Manish purchased 1,000 listed equity shares of ₹ 10 each at ₹ 100/- per share from a broker on 4th May, 2016. He paid ₹ 3,000 as brokerage. On 15th March, 2024, he was given bonus shares by the company on the basis of one share for every two shares held. On the same date, he was also given a right to acquire 1,000 rights shares @ ₹ 90/- per share. He acquired 50% of the right shares offered and sold the balance 50% of the rights entitlement for a sum of ₹ 67,500 on 7th April 2024. The right shares were allotted to him on 30th April, 2024. All the shares held by him were sold on 24th September, 2024 @ ₹ 280/- per share through a recognized stock exchange.

Compute the Taxable Income from Capital Gain of Manish for the assessment year 2025-26. Assuming FMV as on 31st January, 2018 for the above share is 150/- per Share. Ignore section 115BAC pertaining to alternative tax regime.

(5 marks)

Attempt all parts of either Q. No. 4 or Q. No. 4A

4. (a) Gangotri Files Ltd. filed its return of income for the assessment year 2024-25, on 15th December 2024. On 2nd March, 2025, the accountant of Gangotri Files Ltd. realised that he had forgotten to claim a genuine business expenditure amounting to ₹ 15,00,000. He wants to file revised return on 2nd March, 2025, to claim such expenditure as the assessment is not yet completed. State with reason whether the action of the accountant of Gangotri Files Ltd. is valid ?

(5 marks)

- (b) Raghuveer has two minor children, viz., Master A and Master B. Master A is a child artist and Master B is suffering from diseases specified under section 80U of the Income Tax Act, 1961.

The Income of both the minor child A and B are as follows :

Income of A from stage shows	: ₹ 1,00,000
Income of A from bank interest	: ₹ 6,000
Income of B from dividend from domestic company	: ₹ 30,000
Income of B from bank interest	: ₹ 1,20,000

Explain in whose hands the above income of minor children be taxable under the Income Tax Act, 1961. (Assume that Income of Raghuveer is higher than his wife's income).

(5 marks)

- (c) Which are all persons required to mandatorily file the Return of Loss as per Section 80 of Income Tax Act, 1961. Also explain the consequences of Non-filing of Return of Loss in time.

(5 marks)

OR (Alternative question to Q. No. 4)

- 4A. (i) On 9th January, 2025, Amit (a bank employee) received ₹ 6,00,000 towards interest on enhanced compensation from State Government in respect of compulsory acquisition of his land effected during the financial year 2016-17.

Out of this interest,

- ₹ 2,50,000 relates to the financial year 2017-18;
- ₹ 1,65,000 to the financial year 2018-19; and
- ₹ 1,85,000 to the financial year 2019-20.

He incurred ₹ 50,000 by way of legal expenses to receive the interest on such enhanced compensation. Explain with relevant provisions of Income Tax Act, 1961 how much of interest on enhanced compensation would be chargeable to tax for the assessment year 2025-26 ?

(5 marks)

(ii) Examine the applicability of Tax Deduction at Sources (TDS) or Tax Collection at Source (TCS) as per the Income Act, 1961 for the assessment year 2025-26 in the following independent situations :

(a) PQR Pvt. Ltd sells two cars to Mrs. Anjna costing ₹ 4,00,000 and ₹ 12,00,000 respectively on 01.05.2024 and 25.12.2024. Mrs. Anjna has furnished her PAN to PQR Pvt. Ltd. and filed her return of income regularly before the due date.

(3 marks)

(b) MNO Ltd. paid rent of ₹ 75,000 + 18% GST per month to Rakesh for the office premises from 01.04.2024 to 31.03.2025. Rakesh has furnished his PAN to MNO Ltd. and also filed his return of income before due date regularly.

(2 marks)

(iii) Examine the tax implications of the following transactions under Income Tax Act, 1961 for the assessment year 2025-26 : (Give brief reason)

(a) Government of India has appointed Mr. Ramesh as an ambassador in Sweden. He received salary of ₹ 7,50,000 and allowances of ₹ 2,40,000 during the previous year 2024-25 for rendering his services in Sweden. He is an Indian citizen having status of non-resident in India for the previous year 2024-25.

(3 marks)

(b) Mr. Narayanan, a non-resident in India, has earned ₹ 3,00,000 as royalty for a patent right made available to Mr. Rajkumar who is also a non-resident. Mr. Rajkumar has utilized patent rights for development of a product in India and 50% royalty is received in India and 50% outside India.

(2 marks)

P.T.O.

PART-II

5. Hanuman Ltd. is a paper manufacturing company having a GST registration from Jaipur (Rajasthan). Its manufacturing unit is situated in Ahmedabad (Gujrat). It gives the following information pertaining to September 2024 as under :

- (1) Inter-State supply of paper manufactured by Hanuman Ltd. (Invoice value : ₹ 40,00,000).
- (2) Intra-State supply of paper manufactured by Hanuman Ltd. (invoice value : ₹ 10,00,000).
- (3) Rent of agricultural land let out to ITC Ltd. (it is used for agriculture purposes by ITC, rent of September 2024 being ₹ 11,00,000).
- (4) Rent of commercial property located near Uttar Pradesh let out to RK Mall (rent of September being ₹ 6,00,000).
- (5) Stock transfer without consideration to its branch at Kota (Rajasthan), Branch has separate GSTN for conveyance of accounting and billing. Value under section 15 is ₹ 20,000 (Intra-State).

Besides, Hanuman Ltd. gives the following information :

- Advance rent of ₹ 6,00,000 pertaining to commercial property for October, 2024 is received on 29th September, 2024 (GST rate : 18%, but GST is not received separately, it will be paid by the tenant only during October, 2024).
- Purchase of inputs during September, 2024 from different parties in Andhra Pradesh (invoice value : ₹ 1,00,000, GST : 5%).
- Purchase of inputs during September 2024 from different parties in Jaipur (invoice value : ₹ 80,000, GST : 12%).
- A computer was purchased from a local supplier for ₹ 2,50,000 (GST rate : 18%) on 1st April, 2024 for office purposes Full input tax credit was taken in April, 2024. However, on 18th September, 2024 it is gifted by Hanuman Ltd. to Suresh, he is a friend of managing director of Hanuman Ltd.

: 11 :

- On 25th September, 2024, Hanuman Ltd. pays advance consultancy fee to a consultant of ₹ 1,00,000. The consultant will provide his service only during December, 2024. Invoice will be issued after completion of job (GST rate on consultancy fee is 18%).
- Outdoor catering services availed for ₹ 1,00,000 for a marketing event organized for his prospective customer (Intra-state transaction and GST rate : 5%).
- Balance available in electronic credit ledger on 1st September, 2024 : ₹ 11,000 (CGST), ₹ 8,01,000 (SGST) and ₹ 2,91,000 (IGST).

Additional Information :

- (1) Both inward and outward supplies given above are exclusive of GST.
- (2) Rate of GST on outward supplies are 18%.
- (3) All the conditions for claiming input tax credit (including conditions imposed by rule 36(4) are satisfied.

On the basis of above case study, you are required to answer the following questions with reference to GST Law :

- (a) Calculate the total GST on outward supply for the month of September, 2024 in the context of CGST Act, 2017. (5 marks)
- (b) Calculate the total input tax credit available for the month of September, 2024 in the context of CGST Act, 2017. (5 marks)
- (c) Calculate the Net GST liability payable for the month of September, 2024 and also calculate Balance left in electronic credit ledger on September 30, 2024, if any, in the context of CGST Act, 2017. (5 marks)
- (d) What is the order of utilization of input tax credit as per CGST Rules, 2017. (5 marks)

P.T.O.

Attempt all parts of either Q. No. 6 or Q. No. 6A

6. (a) Determine the place of supply with reference to the GST Law in the following independent cases :

(i) Mr. Joy Jacob, an unregistered person of Asansol, West Bengal sends a courier through Kolkata, West Bengal based Mohan Bhai Courier Agency to his sister in Mumbai, Maharashtra.

(ii) Mr. Mitin, an unregistered person, resides at Bhopal, Madhya Pradesh books a two-way air journey ticket from Prayagraj, Uttar Pradesh to Jaipur, Rajasthan on 6th September and back. He leaves Prayagraj on 11th September in a morning flight and lands in Jaipur the same day. He leaves Jaipur on 15th September in a late-night flight and lands in Prayagraj on the next day.

(iii) Rim Shum Pvt. Ltd., located at Lucknow, Uttar Pradesh, purchases a manufacturing machine from Manavsri Steel Industries Ltd., located at Jaipur, Rajasthan, for being installed in its factory located at Haridwar, Uttarakhand.

(6 marks)

- (b) Divya Ltd., a registered supplier from Gujrat, is engaged in the manufacture of passenger autos. The company provides the following details of purchases made/services availed by it during the month of March, 2025 :

S. No.	Particulars	GST (₹)
1.	Purchase of iron which is used as a raw material [Goods were received in two lots—first in March and the second in April]	3,00,000
2.	Purchase of accessories which were delivered directly to the dealers of the company on the direction of Divya Ltd. [Only invoice was received by Divya Ltd.]	1,00,000
3.	Purchase of bus (seating capacity 15) for the transportation of employees from their residence to company and back	1,90,000
4.	General insurance taken on a car (seating capacity 5) used by executives of the company for official purposes	15,200

You are required to determine the ITC that can be availed by Divya Ltd. for the month of March, 2025 by giving brief explanations for treatment of various items.

Subject to the information given above, all the other conditions necessary for availing ITC have been fulfilled.

(4 marks)

P.T.O.

- (c) Ravindra Rao, a registered person in Indore, Madhya Pradesh has provided the following information regarding outward transactions made during the month of January, 2025 :

S. No.	Particulars
1.	He was appointed by recognized sports body as a chief selector of Basket Ball team and received ₹ 6,00,000 as remuneration.
2.	Services of pure labor contract was provided for construction of independent residential unit for ₹ 2,80,000.
3.	He rented out his warehouse for warehousing of wheat and received rental income of ₹ 1,75,000.
4.	Provided services to Municipal Corporation of Indore for slum improvement and upgradation for ₹ 7,50,000.
5.	He has charged consideration of ₹ 2,25,000 against Western Music dance performance in an event.

You are required to compute the taxable value of supply on which GST is to be paid by Mr. Ravindra Rao for the month of January, 2025. All the amount stated above are exclusive of GST, wherever applicable. Suitable Notes should form part of answer.

(5 marks)

- (d) Karan Enterprises, registered in Patna (Bihar), is engaged in printing and selling of books as well as trading of stationery item. He has provided following information of a consignment which is to be supplied to Agra (Uttar Pradesh) :

- Taxable value of supplies indicated on tax invoice : ₹ 30,000 (excluding GST leviable @ 18%)
- Value of exempted supplies : ₹ 13,000
- Value of taxable goods sent to job worker on delivery challan : ₹ 16,000.

You are required to calculate the consignment value for the purpose of generating e-way bill for inter-state supply of goods.

(5 marks)

OR (Alternative question to Q. No. 6)

- 6A. (i) Piyush Pvt. Ltd. have imported a machine from U.K. and furnished following particulars in relation to such import :

S. No.	Particulars	Amount
1.	F.O.B. cost of the machine	30,000 U.K. Pounds
2.	Freight (air)	3,000 U.K. Pounds
3.	Engineering and design charges paid to a firm in U.K.	500 U.K. Pounds
4.	License fee relating to imported goods payable by the buyer as a condition of sale	20% of F.O.B. Cost
5.	Materials and components supplied by the buyer free of cost valued	₹ 10,000
6.	Insurance paid to the insurer in India	₹ 6,000

Other Particulars :

- (a) Inter-bank exchange rate as arrived at by the authorized dealer : ₹ 72.60 per U.K. Pound.
- (b) CBIC had notified for purpose of Section 14 of the Customs Act, 1944, exchange rate of ₹ 70.30 per U.K. Pound.

Compute the assessable value of goods for customs purpose of Piyush Pvt. Ltd.

(5 marks)

- (ii) GST Audit by tax Authorities can be done under section 65 of CGST Act, 2017 read with rule 101 of CGST Rule 2017. Write a brief note on the salient features of such audit.

(5 marks)

P.T.O.

(iii) Discuss the provisions relating to issue of an invoice/document in the following circumstances :

- (a) Advance payment is received against a supply, but subsequently no supplies are made.
- (b) Goods are sent on approval for sale or return and are removed before the supply takes place.
- (c) Suresh provides continuous supply of services to his client, where the due date of payment for such services is not ascertainable. No advance has been received in this behalf.

(6 marks)

(iv) Explain when can provisional refund be granted under GST law. Also explain the conditions for grant of provisional refund.

(4 marks)