

Roll No.

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-II of the Question Paper relate to the Income-tax Act, 1961 and relevant Assessment Year 2025-26 unless stated otherwise.*
3. *Wherever necessary, suitable assumptions can be made and the same be stated clearly in the answer.*
4. *Working notes should form part of the answer.*

PART-I

1. (a) Mr. Kunal is an employee in Vijyanta and Sons, working at its Mumbai (Maharashtra) office. Mr. Kunal is unregistered under GST law. His family is located in Agra, Uttar Pradesh. His son requires a laptop for his school project on urgent basis. Therefore, Mr. Kunal places an order on BBazar.in (an e-commerce platform) for supply of a laptop of latest configuration for his son, which is to be delivered at his residential address located in Agra, Uttar Pradesh.
Mr. Kunal, while placing the order on the e-commerce platform, provides the billing address of his apartment located in Mumbai Maharashtra. You are required to determine the place of supply of laptop in the given case in the context of CGST Act, 2017.

(5 marks)

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- (b) Kishore, a registered service provider entered into an agreement of provision of service with one of his clients. The full payment was received in advance by cheque on 15.09.2024 which was entered in the books on 16.09.2024 and credited in bank on 21.09.2024. The service was completed on 21.10.2024. However invoice for the same was raised on 25.11.2024.

Meanwhile with effect from 13.10.2024 GST rate was increased from 5% to 12%. Kishore claim that since he received the payment before rate change and also raised invoice in specified time hence, he is liable for GST @ 5% only.

- (i) Examine the correctness of Kishore's contention and determine the Time of supply and applicable rate as per the provision of CGST Act, 2017.
- (ii) Would your answer be different in (i) above, if invoice for the same was raised on 25.09.2024 instead of 25.11.2024 ?

(5 marks)

- (c) With reference to GST law, determine the place of supply with reasons in the following independent circumstances :

- (i) Ms. Rani of Delhi visited Jaipur Law University (Rajasthan) and paid her college fees by purchasing a demand draft from a bank located in the University campus. Ms. Rani did not have any account with the bank.
- (ii) ABH Machine Ltd., registered in the State of Karnataka, supplied a machinery to BHY Ltd., registered in the State of Rajasthan. However, this machinery was assembled and installed at the wind mill of BHY Ltd., which was located in the State of Gujarat.

(5 marks)

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- (d) Mr. Vikas, lives in Jaipur have submitted that he is an individual not engaged in any business. His receipts are only from savings, personal loans and advances and deposits, which are reflected in the Income Tax Returns.

Vikas has further submitted that his estimated receipts for the F.Y. 2024-25 is likely to be ₹ 20,21,000 which includes,

- (i) Rent receipts : ₹ 9,93,000
- (ii) Bank interest : ₹ 3,000
- (iii) Interest on PPF deposit : ₹ 2,70,000 and
- (iv) Interest on Personal Loans and Advances : ₹ 7,55,000.

Advise, whether Vikas is required to get himself registered under GST Act, 2017.

(5 marks)

Attempt all parts of either Q. No. 2 or Q. No. 2A

2. (a) With reference to latest amendment, Examine the implications of GST on supply of food and beverages at cinema halls in the context of CGST Act, 2017.

(5 marks)

- (b) Ganesh Medical Centre, a Multi-specialty hospital, is registered under GST law at New Delhi. It hires senior doctors and consultants independently, without entering into any employer-employee agreement with them. These doctors and consultants provide consultancy to the in-patients who are admitted to the hospital for treatment, without

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there being any contract with such patients. In return, they are paid the consultancy charges by Ganesh Medical Centre. However, the money actually charged by Ganesh Medical Centre from the in-patients is higher than the consultancy charges paid to the hired doctors and consultants. The difference in the amount is retained by the hospital, i.e., retention money, includes charges for providing ancillary services like nursing care, infrastructure facilities, paramedic care, emergency services, checking of temperature, weight, blood pressure, etc.

Further, Ganesh Medical Centre has its own canteen which supplies food as advised by the doctor/nutritionists to the in-patients as well as to other patients (who are not admitted) or their attendants or visitors.

Details for the Month of October, 2024 are as follows :

S. No	Particulars	Amount (₹)
(i)	Consultancy Charges paid to doctors	18,00,000
(ii)	Amount Charged from patients for point (i) above	16,00,000
(iii)	Amount Charged for Canteen from in-patients as advised by the doctor/nutritionists	2,50,000
(iv)	Amount Charged for Canteen for attendant (up to one person) of in-patients.	5,40,000
(v)	Amount Charged for Canteen from patients (Not admitted)	60,000

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Neither hospital nor doctors paid any GST on the above transaction and all of the above amount are exclusive of taxes if any.

You are required to calculate the amount of Taxable value (if any) for the month of October 2024 as per GST laws, on which GST is to be paid either by hospital or by the doctors.

(5 marks)

- (c) Suresh Sharma of Rajasthan, want to apply for registration as Casual Taxable Person (CTP) for supply in an exhibition to be held in the state of Gujarat for 195 days. With reference to provision of GST law, suggest suitable course of action to Suresh Sharma.

(5 marks)

- (d) ABC Ltd., the owner of the goods, sends goods through Rajat Transport Agency from Jodhpur to Delhi valuing ₹ 6,00,000 which is exempted under the GST law. During the transit, the proper officer has intercepted and found contravention of GST provisions. He detained the goods and the conveyance.

Determine the penalty payable under section 129 of CGST Act, 2017 for release of detained goods :

- (i) If ABC Ltd. comes forward for payment of tax and penalty,
- (ii) If ABC Ltd. does not come forward for payment of tax and penalty.
- (iii) What is the time limit within which such penalty amount is required to be deposited assuming goods are other than perishable nature ?

(5 marks)

OR (Alternate question to Q. No. 2)

2A. (i) State the following independent services are taxable or exempted under the provision of GST law :

- (i) Pure labour service of construction of single residential unit which is forming part of a residential complex.
- (ii) Goods transport agency service provided for transportation of goods on a consignment transported in a single carriage does not exceed ₹ 1,500.
- (iii) Service by way of fumigation in a warehouse of agricultural produce.
- (iv) Accommodation service provided by a hotel for lodging purpose having value of supply of a unit of accommodation of ₹ 900 per day.
- (v) Renting of a residential flat given to a registered proprietary concern for use as guest house for its various salesmen.

(5 marks)

(ii) QRT Manufacturing Ltd, a registered supplier of Karnataka, is engaged in manufacturing and supply of taxable goods.

Given below are the details of the turnover and applicable GST rates of the final products manufactured by QRT manufacturing Ltd. as also the input tax credit (ITC) availed on inputs used in manufacture of each of the final products and GST rates applicable on the same, during a tax period :

Products	Turnover (Excluding GST (₹))	Output GST Rates	ITC availed on input exclusively used (₹)	Input GST Rates
P	14,00,000	5%	1,10,000	12%
Q	13,00,000	5%	1,08,000	18%
R	9,00,000	12%	94,000	12%

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Additional Information :

- (i) GST paid ₹ 42,000. (@ 12% on ₹ 3,50,000) for Capital Goods 'A' exclusive used for product P.
- (ii) GST Paid ₹ 54,000 (@ 18% on ₹ 3,00,000) on Input Services exclusive used for product P.

Determine the maximum amount of refund of the unutilised input tax credit that QRT manufacturing Ltd. is eligible to claim under section 54(3) (ii) of the CGST Act, 2017 (i.e., due to inverted duty structure) read with rule 89(5) of CGST Rules, 2017.

- Note : -*
- (1) Product Q is notified as a product, in respect of which no refund of unutilised input tax credit shall be allowed under said section.
 - (2) No refund claimed under rule 89 (4A) or 89 (4B) of CGST Rules, 2017.
 - (3) All the amount of ITC reflecting in GSTR 2A of company.

(5 marks)

- (iii) Mr. Raju, an USA citizen booked a package tour with "Four Seasons Travel Agency". The package includes airfare, accommodation, food, sightseeing, etc. for a consolidated amount of ₹ 3,50,000 for 9 nights and 10 days to : Jaipur- Jaisalmer- Agra- Dubai from 21.01.2025 to 30.01.2025. Tour started from boarding flight from Delhi to Jaipur on 21.01.2025 at 4:00 PM and ended on 30.01.2025 in Dubai at 1:00 PM at the check-out time of hotel.

Day wise itinerary is :

Place	No. of Days
Jaipur	2 days
Jaisalmer	3 days
Agra	2 days
Dubai	3 days
Total	10 days

Determine the exempt and taxable value of supply for “Four Seasons Travel Agency” in the Context of CGST Act, 2017, assuming the amount given are exclusive of GST.

(5 marks)

- (iv) The aggregate turnover of M/s Rajan and Company, a registered person, for the financial year 2023-2024 was ₹ 9.74 Crores.

Advice whether it is mandatory to issue e-invoice for the year 2024-25 in the context of CGST Act, 2017, and also list out any four entities which are exempt from the mandatory requirement of e-invoicing.

(5 marks)

3. (a) Arnav is an Electronic Commerce Operator registered in Delhi. His brother who is settled in London is a well-known lawyer. Arnav has taken legal advice from him free of cost with regard to his family dispute.

Will it be treated as Service under the GST Law ?

(4 marks)

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(b) Examine, whether the activity of import of service in the following independent cases would amount to supply or not under section 7 of the CGST Act, 2017 ?

(i) Vimla received Vaastu consultancy services for her personal residence premises located at New Delhi from Mr. Devid of London (UK). The amount paid for the said service is 5,000 UK Pound.

(ii) Mrs. Riya received Vaastu consultancy services for her business premises located at New Delhi, from her son Mr. Raju of London (England) Further, Mrs. Riya did not pay any consideration for the said service.

(4 marks)

(c) Daksh Kumar availing composition scheme during the financial year 2024-25, crosses the threshold limit of turnover of ₹ 1.50 crore on 19th October 2024.

What compliances are required to be carried out by Daksh Kumar under the provision of section 83 of the CGST Act, 2017.

(4 marks)

(d) With reference to the provision of section 83 of the CGST Act, 2017 regarding the provisional attachment of property, Answer the following with proper reasoning :

(i) Who can order for provisional attachment of property ?

(ii) Whether the order of provisional attachment is to be issued only at the conclusion of the proceedings ?

(iii) What is the purpose of the provisional attachment ?

(iv) Whether the provisional attachment order is valid for a period of 3 years ?

(4 marks)

- (e) Mr. Sunil has obtained a voluntary registration under the GST law in the State of Karnataka in January, 2024 but has not commenced the business till the month of September, 2024. In October, 2024, the proper officer issues a show cause notice to him for cancellation of his registration.

You are required to examine whether the action taken by the proper officer is justified in law. Also, list any other six circumstances when the proper officer can cancel registration under section 29(2) of the CGST Act, 2017.

(4 marks)

4. (a) Vinit Overseas Ltd. of New Delhi has imported a machine from U.K. (England) by vessel. The details of the import transaction are as follows :

S. No	Particulars	Amount UK (£)
(i)	Cost of the machine at the factory of the exporter	18,000
(ii)	Transport charges from the factory of exporter to the port for shipment	600
(iii)	Handling charges paid for loading the machine in the ship at the port of exportation	500
(iv)	License fee relating to imported goods payable by the importer as a condition of sale	900

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(v)	Actual Freight charges from port of export to port of import are not ascertainable	—
(vi)	Actual insurance charges paid	200
(vii)	Landing charges paid at the place of importation are not ascertainable	
		Amount in ₹
(i)	Handling charges associated with the delivery of the imported goods at the place of importation	12,000

1	Bill of entry :	Dated 21.10.2024 On that day : (a) Exchange rate as notified by CBEC 1 UK £ = ₹ 101 (b) Exchange rate as prescribed by RBI 1 UK £ = ₹ 100
2	Entry inward :	Dated 26.10.2024 On that day : (a) Exchange rate as notified by CBEC 1 UK £ = ₹ 102 (b) Exchange rate as prescribed by RBI 1 UK £ = ₹ 103

You are required to Compute the Assessable Value (in ₹) of machine for the purpose of levying Customs Duty.

(5 marks)

- (b) Compute the amount of Duty Drawback under section 74 of the Customs Act, 1962, the following independent cases :
- (i) Jai Enterprises has imported goods during the financial year 2023-24 and paid ₹ 5,00,000 as import duty. These goods were re-exported after using for 10 months.
- (ii) Dashing Ltd. has imported used wearing apparel in the month of February, 2025 from Singapore and paid import duty of ₹ 7,50,000. After receipt, the company management has doubts regarding its sale in the local market. Hence, the company has re-exported back the wearing apparel without use.

(5 marks)

PART-II

5. (a) With reference to Income Tax Act, 1961, examine the doctrine of form and substance in the context of tax planning.
- (3 marks)
- (b) Raja Enterprises, a partnership firm, commenced its trading business in the Jodhpur District of Rajasthan on 1st April, 2024 with two working partners Manish and Nilesh. The partnership deed provides remuneration to both the working partner @ ₹ 50,000 per month. Total remuneration ₹ 12,00,000 to both the partner is within the limit under section 40(b)(v) of the Income Tax Act, 1961. The firm has filed the return for the A.Y. 2025-26 on due date under section 139(1) of the Income Tax Act, 1961. Return was selected for scrutiny assessment.

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Assessing officer has disallowed ₹ 4,00,000 as an excessive remuneration to the partners by invoking provision of section 40A(2) of the Income Tax Act, 1961. Such disallowance was made on the ground that it is in excess having regard to their knowledge and qualification and also exceeds the total salary paid to various employees during the year.

Whether the disallowance by the assessing officer is justified ? Answer should be supported with judicial pronouncement, if any.

(3 marks)

- (c) “The provisions of section 115JB (Minimum Alternate Tax) are also applicable in case of foreign companies”.

In the context of provisions contained in the Income Tax Act, 1961, examine the correctness of the above statement.

(3 marks)

- (d) Briefly explain the provision of section 115 BBG of The Income Tax Act, 1961, regarding taxability of income earned from transfer of “Carbon Credits” for assessment year 2025-26.

(3 marks)

- (e) What is the main purpose of “Impermissible Avoidance Agreement” ? Also state the elements or tests need to be satisfied to consider an agreement as Impermissible Avoidance Agreement.

(3 marks)

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

6. (a) Ms. Angel, a British national, got married to Mr. Radhey of India in UK on 02.03.2024 and came to India for the first time on 16.03.2024. She left for UK on 19.9.2024. She returned to India again on 27.03.2025. While in India, she had purchased a show room in Mumbai on 30.04.2024, which was leased out to a company on a rent of ₹ 25,000 p.m. from 01.05.2024. She had taken loan from a bank for purchase of this show room on which bank had charged interest of ₹ 97,500 up to 31.03.2025. She had received the following cash gifts from her relatives and friends during 1.4.2024 to 31.3.2025 :

- (i) From parents of husband ₹ 51,000
- (ii) From married sister of husband ₹ 11,000
- (iii) From two very close friends of her husband (₹ 2,51,000 and ₹ 21,000)

Determine her residential status and compute the total income chargeable to tax for the A.Y. 2025-26, if she opts out of the new tax regime under section 115BAC.

(5 marks)

- (b) Z Ltd. is a listed company on recognized stock exchange, registered in Ahmedabad (Gujarat). The management of the company finalized a restructuring scheme being “Buy-back of its own shares” on 05th July, 2024. The company paid ₹ 20,00,000 towards buy back of the shares on 30th July, 2024. These shares were allotted 5 years back and the company received ₹ 5,00,000 as consideration of shares allotment (which consist of ₹ 2,00,000 towards share capital and ₹ 3,00,000 towards share premium). The company deposited the additional tax on buy-back of shares on 30th September 2024.

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Compute the additional income tax payable by Z Ltd. under section 115QA of the Income Tax Act, 1961 for A.Y. 2025-26. Also mention the last date by which the company is required to pay tax to the credit of the government. Whether Z Ltd. is liable to pay interest, if any under the provision of the Income Tax Act, 1961 ?

(5 marks)

- (c) With reference to Transfer pricing, discuss under what circumstances, secondary adjustments are applicable under section 92CE of the Income Tax Act, 1961.

(5 marks)

OR (Alternate question to Q. No. 6)

- 6A.** (i) JKL LLP has an income of ₹ 70,00,000 under the head 'profits and gains of business or profession'. One of its businesses is eligible for deduction @ 100% of profits under section 80-IB. The profit from such business included in the business income is ₹ 55,00,000.

Compute the tax payable by the JKL LLP for the A.Y. 2025-26, assuming that it has no other income during the previous year 2024-25 and AMT rate is 18.50%.

(5 marks)

- (ii) "There are certain exclusions from the provisions of General Anti Avoidance Rules (GAAR)." Briefly discuss those exclusions with regards to Income Tax Rules, 1962.

(5 marks)

- (iii) Narendra, aged 54 years, is resident and ordinarily resident in India. His income during previous year 2024-25 is ₹ 14,20,000 from a business in India and ₹ 3,55,000 from a business in a foreign country with whom India has agreement for avoidance of double taxation (DTAA). According to the DTAA , income is taxable in the country in which it is earned and not in other country. However, in the other country, such income to be included for computation of tax rate.

According to the tax laws of the foreign country, Narendra has paid ₹ 35,500 as tax in that country. During the previous year, Narendra has paid ₹ 35,000 as tuition fee for his daughter in India and ₹ 20,000 as life insurance premium for his dependent father. Narendra has also received an interest of ₹ 40,000 on Government securities. Calculate the Income tax liability of Narendra for the assessment year 2025-26, assuming assessee has not opted for Section 115BAC of the Income tax Act, 1961.

(5 marks)

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