

Mock Test Paper - Series I: March, 2026

Date of Paper: 20th March, 2026

Time of Paper: 10 A.M. to 1 P.M.

INTERMEDIATE COURSE: GROUP - I

PAPER – 3: TAXATION

Time Allowed – 3 Hours

Maximum Marks – 100

SECTION – A: INCOME TAX LAW (50 MARKS)

Working Notes should form part of the answer. Wherever 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.2026-27.

Division A – Multiple Choice Questions

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.

1. Mr. Nikhil, a resident aged 42 years, is employed in an MNC in Gurugram since 2013. He submitted his resignation on 31st July, 2025 for starting his own business and gave a notice period of one month to the employer. He received the following emoluments from his employer for the period from 1st April, 2025 to 31st August, 2025:

Basic pay	₹ 45,000 p.m.
Dearness Allowance (Forming part of retirement benefits)	10% of Basic pay
Medical allowance	₹ 5,000 p.m.
Entertainment allowance	₹ 2,500 p.m.
Commission	₹ 10,000 p.m.
Employee's contribution to RPF	₹ 7,500 p.m.
Employer's contributed the same amount to the RPF	
Interest accrued in the RPF@13%	₹ 14,300

In October, 2025, he started the business of manufacturing of footwear under the brand name "COMFORT". He withdrew the entire amount from his RPF account in September, 2025 to invest in his business. He has employed 75 regular employees on 1.11.2025 at a salary of ₹ 23,000 p.m. and they participate in recognized provident fund. For the

P.Y. 2025-26, the profits and gains derived from such business is ₹ 51 lakhs (computed) and the turnover is ₹ 7 crores. Mr. Nikhil received 12% of the sales in cash.

On 1st December, 2025, he has purchased a house property for ₹ 90 lakhs for self-occupation by taking a loan of ₹ 45 lakhs@10% p.a. on the same day. He has paid stamp duty of ₹ 6,25,000 on purchase of such house property. Mr. Nikhil is paying tax under default tax regime.

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

- (i) What is the amount of salary chargeable under the head "Salaries" to Mr. Nikhil for A.Y. 2026-27?
- (a) ₹ 2,71,650
(b) ₹ 2,99,300
(c) ₹ 2,96,650
(d) ₹ 2,84,150
- (ii) What is the amount of deduction available to Mr. Nikhil under Chapter VI-A for A.Y. 2026-27?
- (a) ₹ 27,37,500
(b) ₹ 26,25,000
(c) ₹ 25,87,500
(d) Nil
- (iii) What is the total income of Mr. Nikhil for A.Y. 2026-27?
- (a) ₹ 25,09,150
(b) ₹ 27,84,150
(c) ₹ 24,61,800
(d) ₹ 25,59,150
- (3 x 2 = 6 Marks)**

2. Mr. Deepak gifted ₹ 15 lakhs to his wife, Natasha, on her birthday on 22nd January, 2025. Natasha lent ₹ 6,00,000 out of the gifted amount to Deepika on 1st April, 2025 for six months on which she received interest of ₹ 40,000. The said sum of ₹ 40,000 was invested in shares of a listed company on 12th November, 2025, which were sold for ₹ 76,000 on 25th March, 2026. Securities transactions tax was paid on purchase and sale of such shares. The balance amount of gift was invested on 1st April 2025, as capital by Natahsa in her new business. She suffered loss of ₹ 50,000 in the business in

F.Y. 2025-26. Natasha is working with a private company as sales executive at a salary of ₹ 62,000 p.m. She paid ₹ 3,500 p.m. towards tuition fees for her daughter Dhanvi studying in St. Thomas School, Mumbai.

Deepak is working with an MNC on a monthly salary of ₹ 64,000. He has gifted ₹ 1,25,000 to Dhanvi on her 13th Birthday. This amount is deposited as 2 years term deposits with SBI bank in her name on which interest of ₹ 11,500 is earned during the previous year 2025-26. Both Mr. Deepak and Mrs. Natasha opted out of the default tax regime.

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

- (i) In whose hands, the interest income received from Deepika and interest on fixed deposits in the name of Dhanvi would be included.
- (a) both interest income to be included in the hands of Mr. Deepak
 - (b) both interest income to be included in the hands of Mrs. Natasha
 - (c) interest income from Deepika to be included in the hands of Mrs. Natasha and interest on two years term deposits to be included in the hands of Mr. Deepak.
 - (d) interest income from Deepika to be included in the hands of Mr. Deepak and interest on two years term deposits to be included in the hands of Mrs. Natasha.
- (ii) In whose hand, loss from business and capital gains would be included in Assessment Year 2026-27. Assume that capital invested in the business was entirely out of the funds gifted by her husband.
- (a) Both loss from business and capital gains would be included in the hands of Mr. Deepak
 - (b) Both loss from business and capital gains would be included in the hands of Mrs. Natasha
 - (c) Loss from business included in the hands of Mr. Deepak and capital gains included in the hands of Mrs. Natasha
 - (d) Loss from business included in the hands of Mrs. Natasha and capital gains included in the hands of Mr. Deepak

(iii) What would be the total income of Mrs. Natasha for the previous year 2025-26?

(a) ₹ 7,28,000

(b) ₹ 7,38,000

(c) ₹ 6,98,000

(d) ₹ 6,88,000

(3 x 2 = 6 Marks)

3. Who among the following will qualify as resident for the P.Y. 2025-26?

- Mr. Pop, an Italian singer, came on visit to India to explore Indian classic singing on 15.09.2025 and left on 01.12.2025. For past four years, he visited India for singing competition and stayed in India for 120 days each year.
- Mr. Abhishek born and settled in Canada, visits India each year for 100 days to meet his parents and grandparents, born in India in 1946, living in Delhi. His Indian income is ₹ 15,20,000.
- Mr. Joseph, an American scientist, left India to his home country for fixed employment there. He stayed in India for study and research in medicines from 01.01.2020 till 01.07.2025.

Choose the correct answer

(a) Mr. Pop and Mr. Joseph

(b) Mr. Abhishek

(c) Mr. Pop, Mr. Abhishek and Mr. Joseph

(d) None of the three

(2 Marks)

4. A firm pays salary and interest on capital to its resident partners. The salary and interest paid fall within the limits specified in section 40(b). Which of the following statements is true?

(a) Tax has to be deducted u/s 192 on salary and u/s 194A on interest

(b) Tax has to be deducted u/s 192 on salary but no tax needs to be deducted on interest

(c) No tax has to be deducted on salary but tax has to be deducted u/s 194A on interest

(d) Tax has to be deducted u/s 194T on salary and interest

(1 Mark)

Division B – Descriptive Questions

Question No. 1 is compulsory

*Attempt any **two** questions from the remaining **three** questions*

1. Mr. Ayush, a resident individual, aged 62 years, is a qualified medical practitioner. He runs his own clinic. Income & Expenditure A/c of Mr. Ayush for the year ending 31.3.2026 is as under:

Expenditure	₹	Income	₹
To Salary to Staff	7,20,000	By Consultation Fees	74,28,000
To Administrative Exp.	11,64,000	By Salary received from True Care Hospitals (P) Ltd.	10,80,000
To Rent of clinic	5,76,000	By Rental Income from House Property	2,40,000
To Conveyance Expenses	1,44,000	By Dividend from Foreign Companies (gross)	60,000
To Power & Fuel	1,44,000		
To Interest on Housing Loan	2,20,000		
To Interest on Education Loan for son	1,56,000		
To Amount paid to scientific research association approved & notified under section 35	1,50,000		
To net profit	55,34,000		
Total	88,08,000	Total	88,08,000

- (i) He is working part-time with True Care Hospitals (P) Ltd. His salary details are as under:

Basic Pay	₹ 85,000 p.m.
Transport Allowance	₹ 5,000 p.m.
Total	₹ 90,000 p.m.

Further, during P.Y. 2025-26, his son had undergone a medical treatment in True Care Hospitals (P) Ltd. free of cost. The hospital would have charged a sum of ₹ 1,60,000 for a similar treatment to unrelated patients.

- (ii) He owns a residential house. The reconstruction of the house was started on 01.04.2025 and was completed on 30.09.2025. After reconstruction, ground floor of the house is self-occupied by him while first floor has been rented out since 1.10.2025. Both the floors are of equal area. The monthly rent is ₹ 40,000. The tenant also pays ₹ 3,000 p.m. as power back-up charges. He took a housing loan of ₹ 25 lakhs for reconstruction on 01.04.2025. Interest on housing loan for the period 01.04.2025 to 30.09.2025 was ₹ 1,20,000 and for the period 01.10.2025 to 31.03.2026 was ₹ 1,00,000. During the year, he also paid municipal taxes for the F.Y. 2024-25: ₹ 5,000 and for F.Y. 2025-26: ₹ 5,000.

Other information:

- (a) Conveyance expenses include a sum of ₹ 48,000 incurred for conveyance from house to True Care Hospitals (P) Ltd. and *vice versa* in relation to his employment.
- (b) Power & fuel expenses include a sum of ₹ 10,000 incurred for generator fuel for providing power back-up to the tenant.
- (c) Administrative expenses include a sum of ₹ 10,000 paid as Municipal Taxes for his house.
- (d) Clinic equipment's details are:
Opening W.D.V. of clinic equipment as on 01-04-2025 was ₹ 5,00,000 and fresh purchase made on 28-08-2025 is ₹ 75,000 which was paid in cash.
- (e) He also paid tuition fee of ₹ 40,000 for his grand-daughter, which has been debited to his Capital A/c.
- (f) He availed a loan of ₹ 25,00,000 from bank for higher education of his son. He repaid principal of ₹ 3,00,000 and interest of ₹ 1,56,000 during P.Y. 2025-26.

You are required to compute the total income of Mr. Ayush for the A.Y. 2026-27 under both the regimes. **(15 Marks)**

2. (a) Mr. Dhruv, an Indian citizen aged 32 years, a Central Government officer serving in the Ministry of Corporate Affairs, left India for the first time on 31.03.2025 due to transfer to High Commission of UK. He did not visit India any time during the previous year 2025-26. He received the following income for the previous year 2025-26:
- | | | |
|-------|--|-----------|
| (i) | Salaries received for services rendered in London (computed) | 20,00,000 |
| (ii) | Foreign Allowances | 10,00,000 |
| (iii) | Interest on saving bank deposit in State Bank of India | 1,00,000 |

- | | |
|---|----------|
| (iv) Short term capital gains on sale of shares of an Indian Company received in London | 2,00,000 |
| (v) Dividend from PP Ltd., an Indian company, paid in London | 50,000 |
| (vi) Rent from property in London deposited in a bank in London, later on remitted to India through approved banking channels | 1,80,000 |

Compute the Total Income of Mr. Dhruv for the Assessment Year 2026-27 under optional tax regime. **(6 Marks)**

- (b) Examine the applicability of Tax Deduction at Sources (TDS) or Tax Collection at Source (TCS) as per the Income-tax Act, 1961 for the assessment year 2026-27 in the following independent situations.
- (i) XYZ Limited paid rent of ₹ 75,000+18% GST per month to Mr. Raja for the office premises from 01.04.2025 to 31.03.2026. Mr. Raja has furnished his PAN and also filed his return of income before due date regularly.
- (ii) ABC Pvt. Ltd sells two cars to Mrs. Shilpa costing ₹ 4,00,000 and ₹ 12,00,000 respectively on 01.05.2025 and 25.12.2025. Mrs. Shilpa has furnished her PAN and filed her return of income regularly before the due date. **(4 Marks)**

3. (a) Mr. Shivam is the proprietor of Star Stores having 2 units. On 1.4.2025, he transferred Unit 2, which he started in 2014-15, by way of slump sale for a total consideration of ₹ 18 lakhs. The professional fees & brokerage paid for this transfer are ₹ 78,000. His Balance Sheet as on 31-03-2025 is as under:

Liabilities	₹	Assets	Unit 1 ₹	Unit 2 ₹	Total
Own Capital	20,50,000	Land	12,75,000	7,50,000	20,25,000
Revaluation reserve	2,50,000	Furniture	2,00,000	5,00,000	7,00,000
Bank Loan (70% for Unit 1)	8,50,000	Debtors	2,00,000	3,50,000	5,50,000
Trade Creditors (20% for Unit 2)	4,50,000	Patents	-	7,25,000	7,25,000
Unsecured Loan (30% for Unit 2)	4,00,000				
	40,00,000		16,75,000	23,25,000	40,00,000

Other Information:

1. Land of Unit 2 was purchased at ₹ 5,00,000 in the year 2014 and revalued at ₹ 7,50,000 as on 31.3.2025.
2. No individual value of any asset is considered in the transfer deed.
3. Patents were acquired on 01.12.2023 on which no depreciation has been provided.
4. Furniture of Unit 2 of ₹ 5,00,000 were purchased on 01.12.2024 on which no depreciation has been provided.
5. Fair market value of capital asset transferred by way of slump sale of Unit 2 is ₹ 18,10,000.

Compute the capital gain for A.Y. 2026-27.

(6 Marks)

- (b) From the following, calculate the taxable amount under the proper head of income for the Financial Year 2025-26 of Mr. Lalit, who is resident and 56 years old. He is paying tax under default tax regime. The reasons should form part of your answer:

- (i) Dividend of ₹ 45,000 (Net) received in April 2025 from LMN Ltd.
- (ii) Advance forfeited amounting to ₹ 1,00,000 on 01.05.2025 as the negotiation for transfer of capital asset did not result in transfer of Capital Asset.
- (iii) Cash gift received from non-relative on the occasion of marriage of son ₹ 51,000.
- (iv) He received ₹ 99,000 as pension from employer of deceased wife.

(4 Marks)

4. (a) Mr. Shashank (aged 67 years) is retired from a Public Sector Undertaking. He resides in Ujjain. He provides you the following particulars of his income and certain payments/investments for the previous year 2025-26:

- Pension income of ₹ 7,80,000
- Interest from fixed deposits of ₹ 2,35,000 (Gross)
- Life insurance premium paid by cheque ₹ 25,500 for insurance of his life. The insurance policy was taken on 08-09-2020 and the sum assured is ₹ 2,50,000.

- Premium of ₹ 36,000 paid by cheque for health insurance of self and his wife, who is also a senior citizen.
- ₹ 3,500 paid in cash for his health check-up and ₹ 4,500 paid through cheque for preventive health check-up of his mother aged 90 years.
- Paid interest of ₹ 9,500 on loan taken from bank for MBA course pursued by his daughter.
- A sum of ₹ 95,000 donated by cheque to an institution approved for the purpose of section 80G for promoting family planning.
- ₹ 20,000 contributed towards PM CARES Fund by cheque.

Compute the total income of Mr. Shashank for the assessment year 2026-27 under optional tax regime. **(6 Marks)**

- (b) In each of the following independent situations, you are required to examine whether these persons are required to file their return of income or loss for A.Y.2026-27 if their total income for the P.Y. 2025-26 do not exceed the basic exemption limit:

- (i) Mr. Dilip has savings bank account in SBI and HDFC and a current account in Axis Bank with opening balance of ₹ 20 lakhs, ₹ 10 lakhs and ₹ 30 lakhs, respectively. He deposited ₹ 40 lakhs in SBI account, ₹ 25 lakhs in HDFC account and ₹ 75 lakhs in Axis account during the P.Y. 2025-26.
- (ii) Mr. Kumar, aged 50 years, has withdrawn cash of ₹ 1,15,00,000 during the P.Y. 2025-26 from his saving account in HDFC Bank. Mr. Kumar regularly filed his return of income till A.Y. 2025-26. **(4 Marks)**

OR

- (b) Mr. Vineet exercised the option of shifting out of the default tax regime provided under section 115BAC(1A) and submits his return of income under the optional tax regime (i.e., the normal provisions of the Act) on 12.07.2026 for A.Y. 2026-27 consisting of income under the head "Salaries", "Income from house property" and bank interest. On 21.12.2026, he realized that he had not claimed deduction under section 80TTA in respect of his interest income on the Savings Bank Account. He wants to revise his return of income. Can he do so? Examine. Would your answer be different if he discovered this omission on 21.03.2027? **(4 Marks)**

SECTION B – GOODS AND SERVICES TAX (50 MARKS)

QUESTIONS

- (i) Working Notes should form part of the answers. However, in answers to Questions in Division A, working notes are not required.
- (ii) Wherever necessary, suitable assumptions may be made by the candidates, and disclosed by way of notes.
- (iii) All questions should be answered on the basis of the provisions of the CGST Act, 2017 and the IGST Act, 2017 as amended by the Finance Act, 2025 including significant notifications and circulars issued and other legislative amendments made, which have become effective up to 31.10.2025.

Division A - Multiple Choice Questions (MCQs)

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.

Total Marks: 15 Marks

Case Scenario

Mr. Vyansh started interior designing practice from the month of January. His turnover up to the month of March was ₹ 12,50,000. On 30th June, his turnover exceeded ₹ 20,00,000 & reached to ₹ 20,05,000. Mr. Vyansh applied for GST registration (as regular taxpayer) on 15th July and registration certificate was issued to him on 25th July.

On 16th July, he entered into a contract for designing the flat of Mr. Yuvan. The service was completed on 22nd July and Mr. Vyansh issued invoice on the same day for ₹ 6,00,000. On 5th July, Mr. Vyansh purchased capital goods amounting to ₹ 4,50,000 and from 25th July to 31st July, he availed input services amounting to ₹ 1,75,000 in relation to an output service to be provided in the month of August.

On 1st August, Mr. Vyansh got another contract for interior designing from Mr. Vedant, which he accepted on 2nd August. The service was completed on 6th August and invoice was issued on 7th August for ₹ 5,00,000. Payment was received on 29th August.

All values are excluding taxes, unless specifically mentioned. Mr. Vyansh makes only intra-State outward supplies and all purchases are also intra-State. Rates of tax are CGST - 9% and SGST – 9%.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 1 to 5 below:

- 1. The effective date of registration for Mr. Vyansh is -
 - (a) 30th June

- (b) 15th July
(c) 25th July
(d) 16th July **(2 Marks)**
2. Mr. Vyansh can issue a revised tax invoice till-
(a) 23rd October
(b) 8th September
(c) 25th September
(d) 25th August **(2 Marks)**
3. Eligible input tax credit that can be availed by Mr. Vyansh for the month of July is -
(a) CGST ₹ 40,500 & SGST ₹ 40,500
(b) CGST ₹ 15,750 & SGST ₹ 15,750
(c) CGST ₹ 56,250 & SGST ₹ 56,250
(d) CGST ₹ 36,000 & SGST ₹ 36,000 **(2 Marks)**
4. The time of supply of services provided by Mr. Vyansh to Mr. Vedant is -
(a) 7th August
(b) 1st August
(c) 29th August
(d) 6th August **(2 Marks)**
5. What will be the tax liability of July month if Mr. Vyansh is paying tax under section 10(2A) of the CGST Act, 2017?
(a) CGST Nil and SGST Nil
(b) CGST ₹ 54,000 & SGST ₹ 54,000
(c) CGST ₹ 18,000 & SGST ₹ 18,000
(d) CGST ₹ 78,150 & SGST ₹ 78,150 **(2 Marks)**
6. Kamna Enterprises issued invoices pertaining to two independent outward supplies, where in one invoice value of supply was understated by ₹ 75,000 and in another invoice, value was overstated by ₹ 45,000. Which of the following is correct in respect of document to be issued by the firm for understatement and overstatement of invoice value?
(i) Debit note is to be issued for ₹ 75,000.

(ii) Credit note is to be issued for ₹ 75,000.

(iii) Debit note is to be issued for ₹ 45,000.

(iv) Credit note is to be issued for ₹ 45,000.

(a) (i) & (iii)

(b) (ii) & (iii)

(c) (i) & (iv)

(d) (ii) & (iv)

(2 Marks)

7. Mangla Electronics, registered in Ahmedabad, Gujarat under GST, deals in electronic items like TV, cooler, mobile phones etc. Due to the festival season, Mangla Electronics took a godown for a period of 6 months near its shop on rent from Mr. Moti (unregistered person) for storing electronic items. The rent amounted to ₹ 15,000 per month.

What should be the GST treatment for rented godown?

(a) Exempt because rent amount is less than ₹ 20,000 per person per month and taken for minimum continuous period of 90 days.

(b) This transaction will be taxable under reverse charge hence Mangla Electronics need to pay tax under RCM.

(c) Mr. Moti, owner of the godown has to pay GST under forward charge and take registration for the same as he is supplying renting services.

(d) This transaction will be exempt from GST because it falls under the forward charge mechanism and the supplier (Mr. Moti) is an unregistered person. **(2 Marks)**

8. 'Vidya' 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 'Vidya' Ltd. under the GST law?

(a) Telangana

(b) Maharashtra

(c) Both (a) and (b)

(d) Neither (a) nor (b)

(1 Mark)

Division B - Descriptive Questions

Question No. 1 is compulsory.

Attempt any two questions out of remaining three questions.

Total Marks:35 Marks

1. (a) Varnika 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 (₹)
(i)	Intra-State supply of taxable goods including ₹ 1,00,000 received as advance in January, the invoice for the entire sale value is issued on 15 th 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
(v)	Goods transport services received from a GTA. GTA has exercised option to pay tax @18% (It is an inter-State transaction)	2,00,000
(vi)	Inter-State services provided by way of training in sports	10,000
(vii)	Inter-State security services provided to Arjun higher secondary school for their annual day function organised in Galib Auditorium outside the School campus	15,000
(viii)	Inputs to be received in 4 lots, out of which 2 nd lot was received during the month	40,000

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

Particulars	Amount (₹)
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 Varnika Pvt. Ltd. was ₹ 2.5 crore in the previous financial year.

Compute the minimum GST, payable in cash, by Varnika Pvt. Ltd. for the month of February. Make suitable assumptions as required. **(10 Marks)**

- (b) "Royal Studio", a photography firm, has commenced providing photoshoot services in Delhi from the beginning of current financial year 2025-26. It has provided the following details of turnover for the various quarters till December, 2025:

S. No.	Quarter	Amount (₹ in lakh)
1	April, 2025 - June, 2025	20
2	July, 2025 - September, 2025	30
3	October, 2025 - December, 2025	40

You may assume the applicable tax rate as 18%. Royal Studio wishes to pay tax at a lower rate and opts for the composition scheme. You are required to advise whether it can do so and calculate the amount of tax payable for each quarter?

(5 Marks)

2. (a) As per the CGST Act 2017, Prakash Limited was not mandatorily required to get registered, however it opted for voluntary registration and applied for registration on 12th October 2025. Registration certificate has been granted by the Department on 24th October 2025, Prakash Limited is not engaged in making inter-State outward taxable supplies. The CGST and SGST liability for the month of October, 2025 is ₹ 31,000 each. Prakash Limited provides the following information of goods held in stock on 23rd October 2025:

Sr. No.	Particulars	Amount (₹)
1.	Capital goods procured on 5 th October 2025, (Rate of CGST and SGST @ 9% each) being intra State supply.	2,00,000
2.	Input "A" contained in finished goods stock held were procured on 13 th October 2024 (Rate of IGST @18%) being inter-State supply.	3,00,000

3.	Value of Input "B" received on 10 th June, 2025 contained in semi-finished goods held in stock (Rate of CGST and SGST @ 9% each) being intra-State supply.	2,50,000
4.	Inputs "C" procured on 1 st October 2025 lying in stock of semi-finished goods (Rate of CGST and SGST @ 2.5 % each) being intra-State supply.	1,50,000
5.	Inputs "D" procured on 8 th October 2025 lying in stock of finished goods. (Rate of IGST @ 18%) being inter-State supply.	60,000

The amounts mentioned above are exclusive of GST. You are required to determine the eligible ITC available and amount of net minimum GST to be paid in cash by Prakash Limited for the month of October 2025. **(5 Marks)**

(b) Determine the place of supply in the following independent cases:

- (i) Mohan (New Delhi) boards the New Delhi-Kota train at New Delhi. He sells the goods taken on board by him (at New Delhi), in the train, at Jaipur during the journey.
- (ii) PC Industries (Mumbai, Maharashtra) gives a contract to Chugwani Ltd. (Ranchi, Jharkhand) to supply a machine which is required to be assembled in a power plant in its refinery located in Kutch, Gujarat.

(5 Marks)

3. (a) Mr. Mayank, a trader registered under GST in Delhi is engaged in wholesale business of toys for kids. Mr. Rihaan registered under GST in Patiala, a regular return filer supplies toys in bulk to Mr. Mayank for selling to end consumers.

Mr. Mayank paying tax in regular scheme in Delhi, has not filed GSTR-3B for last 2 months. Mr. Rihaan wants to generate e-way bill for toys amounting to ₹ 5,00,000 to be supplied to Mr. Mayank. Also Mr. Manoj from Jammu approached Mr. Mayank for purchasing toys amounting to ₹ 75,000 for the purpose of return gift on his son's first birthday party. Mayank wants to generate an e-way bill in respect of an outward supply of goods to Mr. Manoj.

Examine with reference to the provisions under GST law, whether Mr. Rihaan and Mr. Mayank can generate e-way bill? **(5 Marks)**

- (b) M/s TMT & Co. have defaulted in filing the return under Section 39 of CGST Act, 2017 i.e. GSTR-3B for the month of March within the specified due date. Reason for such delay is attributable to delay in closure of books for March, which have been finalised during May. The GST Common portal prompted for payment of late fees payable under Section 47 of CGST Act, 2017 for a sum of ₹ 2,000 under CGST and SGST each. Accountant, of M/s TMT & Co., sought your confirmation for payment of such late fees through the balance available in Electronic Credit Ledger Give your guidance in this regard **(5 Marks)**
4. (a) State the person liable to pay GST in the following independent cases provided recipient is located in the taxable territory:
- (i) Sponsorship services provided by a company to an individual.
- (ii) Renting of immovable property service provided by the Central Government to a registered business entity. **(5 Marks)**

Or

- (a) Services provided by an entity registered under section 12AB of the Income-tax Act, 1961 are exempt from GST if such services are provided by way of charitable activities. Elaborate the term 'charitable activities'. **(5 Marks)**
- (b) Does cancellation of registration impose any tax obligations on the person whose registration is so cancelled? **(5 Marks)**