Skillshort

Self-Study Preparation Pack

CS EXECUTIVE

Paper 7: Tax Laws and Practice (TLP)

# Mock Test 1 – Full Paper with Model Answers

ICSI Syllabus 2022 pattern: 100 marks · 3 hours (+15 minutes' reading) · Part I Direct Tax (60 marks) Q1–Q4 · Part II Indirect Tax – GST and Customs (40 marks) Q5–Q6 · all questions compulsory · internal choice in Q4/Q4A and Q6/Q6A · Income-tax Act, 1961 as amended by the Finance Act, 2025 – A.Y. 2026-27 · GST and Customs as amended up to 31 May 2026 · Original Skillshort questions, every figure checked in Python

Time: 3 hours | Max marks: 100 | Answer ALL questions | Assume the new regime u/s 115BAC unless stated | Model answers follow the paper

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Prepared by Skillshort for self-study. Original explanations and questions; not an official ICSI publication. Items marked VERIFY should be checked against the latest official material.

# Question Paper

**Answer ALL questions. Working notes form part of the answer. All figures relate to P.Y. 2025-26 (A.Y. 2026-27) unless stated.**

## Part I – Direct Tax (60 marks)

**Q1 Case study.** Mr. Kunal, aged 48, a resident individual, works in Delhi. His details for P.Y. 2025-26:

| Particulars | ₹ |
|---|---|
| Basic salary | 12,00,000 |
| Dearness allowance (forms part of salary for retirement benefits) | 2,40,000 |
| House rent allowance (rent paid in Delhi ₹35,000 per month) | 3,60,000 |
| Employer's contribution to NPS (10% of basic + DA) | 1,44,000 |
| Professional tax paid | 2,500 |
| House let out at ₹30,000 per month for the whole year; municipal tax paid ₹24,000; interest on housing loan | 2,50,000 |
| Savings bank interest | 18,000 |
| Interest on fixed deposits | 60,000 |
| LTCG on sale of listed equity shares (STT paid), sold in August 2025 | 2,10,000 |
| Investments: PPF and LIC ₹1,50,000; own NPS u/s 80CCD(1B) ₹50,000; health insurance for self and family ₹28,000 (paid by cheque) | – |

(i) Compute his income under the head "Salaries" under the default regime and under the old regime. **(3 marks)**

(ii) Compute his income from house property, and state how a loss is treated under each regime. **(3 marks)**

(iii) Compute his total income and tax liability under the default regime u/s 115BAC. **(3 marks)**

(iv) Compute his total income and tax liability under the old regime. **(3 marks)**

(v) Which regime should he choose, and how does a salaried person opt out of the default regime? **(3 marks)**

**Q2** Answer the following (5 marks each):

(a) Mr. Rohan, an Indian citizen working in Dubai, visited India for 130 days in P.Y. 2025-26. His income from Indian sources (other than foreign sources) is ₹16 lakh. He was in India for 400 days in the four preceding years and was a non-resident in 9 of the 10 preceding years. Determine his residential status and state which of his incomes are taxable in India.

(b) Mrs. Sen, a resident individual, bought land in 2005-06 for ₹20,00,000 and spent ₹5,00,000 on its improvement in 2012-13. She sold it on 10 December 2025 for ₹1,50,00,000 (stamp duty value ₹1,60,00,000) and paid 1% brokerage. Compute the tax on the capital gain using the more beneficial option. What would be the tax if she invested ₹50 lakh in bonds u/s 54EC within six months? (CII: 2005-06 = 117; 2012-13 = 200; 2025-26 = 376)

(c) Ms. Tara received the following during P.Y. 2025-26: (i) ₹40,000 cash from a friend on her birthday; (ii) ₹30,000 from her cousin; (iii) a gold necklace worth ₹1,20,000 from her father's sister; (iv) ₹2,00,000 cash from friends on her marriage; (v) a plot of land from a friend for ₹10,00,000 when its stamp duty value was ₹11,50,000. Compute the amount taxable u/s 56(2)(x).

**Q3** Answer the following (5 marks each):

(a) R & S, a partnership firm, shows a net profit of ₹18,00,000 after debiting interest on partners' capital at 15% (total capital ₹10,00,000) and remuneration of ₹12,00,000 to working partners, both authorised by the deed. Compute the firm's income and tax for A.Y. 2026-27.

(b) Mr. Vivek (old regime) has: salary ₹7,00,000; loss from let-out house property ₹2,60,000; business loss ₹1,20,000; STCG u/s 111A ₹90,000; long-term capital loss on land ₹50,000; LTCG u/s 112A ₹2,00,000; brought-forward business loss of A.Y. 2024-25 ₹80,000. Compute his gross total income and the losses to be carried forward.

(c) Mr. and Mrs. Nair (incomes ₹12 lakh and ₹8 lakh) have two minor children. Child A earned ₹3,00,000 as a child actor. Child B earned ₹50,000 interest on a fixed deposit gifted by his father. Explain the clubbing under both

regimes.

**Q4** Answer the following (5 marks each):

(a) Who is not required to pay advance tax? How is advance tax handled for capital gains and lottery winnings?

(b) State the time limit, additional tax and restrictions for filing an updated return u/s 139(8A).

(c) Examine TDS in each case for P.Y. 2025-26: (i) a company pays rent of ₹55,000 per month for an office to an individual; (ii) professional fees of ₹45,000 paid to a CS in the year; (iii) bank pays FD interest of ₹80,000 to a senior citizen; (iv) commission of ₹25,000 paid to an agent; (v) X Ltd. (turnover ₹12 crore) buys goods worth ₹60 lakh from a resident seller.

**OR Q4A** Answer the following (5 marks each):

(a) Who must file a return of loss u/s 80, and what happens if it is filed late?

(b) Distinguish a belated return u/s 139(4) from a revised return u/s 139(5).

(c) Mr. Ajay (aged 45, resident, default regime) has business income of ₹9,00,000 and agricultural income of ₹2,00,000. Compute his tax liability.

## Part II – Indirect Tax (40 marks)

**Q5 Case study.** Nova Industries Pvt. Ltd., registered in Pune (Maharashtra), gives the following for October 2025 (all amounts exclude GST):

| Particulars | ₹ |
|---|---|
| Intra-State supply of goods taxable at 18% | 20,00,000 |
| Inter-State supply of goods taxable at 5% | 8,00,000 |
| Export of goods under LUT | 5,00,000 |
| Intra-State supply of exempt goods (bought separately, no ITC) | 2,00,000 |
| Inputs bought within Maharashtra at 18% (including ₹1,00,000 of food for the staff canteen, not obligatory under any law) | 10,00,000 |
| Machinery bought within Maharashtra at 18% | 6,00,000 |
| Motor car (5 seats) for the managing director, at 40% VERIFY | 8,00,000 |
| Legal services from an advocate in Pune (reverse charge, 18%) | 1,00,000 |

Opening ITC: CGST ₹20,000, SGST ₹20,000, IGST ₹30,000. All conditions for ITC are met; inputs and machinery are used only for taxable supplies including exports.

(i) Compute the output tax for October 2025. **(5 marks)**

(ii) Compute the eligible input tax credit, giving reasons for credits not allowed. **(5 marks)**

(iii) Compute the minimum cash payment, following the order of utilisation of ITC. **(5 marks)**

(iv) How are exports under LUT and the exempt supplies treated, and can Nova claim a refund? **(5 marks)**

**Q6** Answer the following (5 marks each):

(a) Kapil Ltd. imported a machine from the UK: FOB USD 20,000; air freight USD 3,000; insurance not known; buying commission USD 500; licence fee paid to the seller as a condition of sale USD 1,000. Exchange rate notified by CBIC ₹86/USD (RBI ₹86.50). BCD 7.5%; SWS 10%; IGST 18%. Compute the assessable value and the total customs duty.

(b) Banshi & Co. issued an invoice for services on 7 September 2025. Determine the time of supply: (i) service completed on 1 September, payment on 20 September; (ii) advance received on 1 September; (iii) service completed on 1 August, payment on 15 September; (iv) service completed on 25 August, payment on 5 October.

(c) Determine the place of supply: (i) a Goa hotel room booked by a Delhi company; (ii) an unregistered person in Kolkata sends a courier to Delhi; (iii) a Chennai trainer trains staff of a registered Mumbai company at Bengaluru; (iv) a flight from Delhi to Mumbai bought by an individual; (v) a meal at a Jaipur restaurant by a tourist from Kerala.

(d) Is registration required? (i) a Delhi supplier of only exempt goods, turnover ₹50 lakh; (ii) a Patna consultant with inter-State services of ₹12 lakh; (iii) a casual taxable person at a Mumbai fair; (iv) a Nagpur trader of goods with turnover ₹35 lakh; (v) a Manipur trader of goods with turnover ₹12 lakh.

**OR Q6A** Answer the following (5 marks each):

(a) An e-way bill is generated at 10:00 am on 5 October 2025 for goods moving 1,850 km from Kanpur to Bengaluru. Find its validity for normal cargo and for over-dimensional cargo.

(b) Who is not eligible for the composition levy u/s 10?

(c) List five blocked credits u/s 17(5) with their exceptions.

(d) Name five types of customs duty on imported goods.

# Model Answers

## SOLUTION Q1 (i) Income under the head "Salaries"

| Particulars | Default regime ₹ | Old regime ₹ |
|---|---|---|
| Basic + DA | 14,40,000 | 14,40,000 |
| HRA received | 3,60,000 | 3,60,000 |
| Less: HRA exempt u/s 10(13A) (WN 1) | – | (2,76,000) |
| Employer's NPS contribution (s.17(1)) | 1,44,000 | 1,44,000 |
| Gross salary | 19,44,000 | 16,68,000 |
| Less: standard deduction s.16(ia) | (75,000) | (50,000) |
| Less: professional tax s.16(iii) | – | (2,500) |
| **Income from salary** | **18,69,000** | **16,15,500** |

**WN 1** – HRA exempt = least of: actual HRA ₹3,60,000; 50% of salary (Delhi) ₹7,20,000; rent paid – 10% of salary = 4,20,000 – 1,44,000 = **₹2,76,000**. HRA exemption and professional tax are not allowed under s.115BAC.

## SOLUTION Q1 (ii) House property

- GAV ₹3,60,000 – municipal tax ₹24,000 = NAV ₹3,36,000; less 30% ₹1,00,800; less interest ₹2,50,000 → **loss ₹14,800**.
- **Default regime**: interest on a let-out house is allowed, but the HP loss **cannot be set off against any other head**; it may be carried forward against future HP income VERIFY. HP income for the year = nil.
- **Old regime**: the loss is set off against salary (limit ₹2 lakh) – ₹14,800 fully set off.

## SOLUTION Q1 (iii) Default regime

| Particulars | ₹ |
|---|---|
| Salary | 18,69,000 |
| House property | Nil |
| Other sources (18,000 + 60,000) | 78,000 |
| LTCG u/s 112A | 2,10,000 |
| Gross total income | 21,57,000 |
| Less: s.80CCD(2) employer NPS (within 14%) | (1,44,000) |
| **Total income** | **20,13,000** |

- Normal income ₹18,03,000: tax = 20,000 + 40,000 + 60,000 + 20% × 2,03,000 (40,600) = **₹1,60,600**.
- LTCG: 12.5% × (2,10,000 – 1,25,000) = ₹10,625. Total ₹1,71,225; cess 4% ₹6,849; **tax payable ₹1,78,070** (rounded). No rebate (income over ₹12 lakh); no surcharge.

### SOLUTION Q1 (iv) Old regime

| Particulars | ₹ |
|---|---|
| Salary | 16,15,500 |
| House property | (14,800) |
| Other sources | 78,000 |
| LTCG u/s 112A | 2,10,000 |
| Gross total income | 18,88,700 |
| Less: 80C 1,50,000; 80CCD(1B) 50,000; 80CCD(2) 1,44,000; 80D 25,000; 80TTA 10,000 | (3,79,000) |
| **Total income** | **15,09,700** |

- Normal income ₹12,99,700: tax = 12,500 + 1,00,000 + 30% × 2,99,700 (89,910) = **₹2,02,410**; LTCG ₹10,625; total ₹2,13,035; cess ₹8,521; **tax payable ₹2,21,560**.

### SOLUTION Q1 (v) Choice of regime

- Default regime ₹1,78,070 vs old regime ₹2,21,560 → the **default regime saves ₹43,490**; Kunal should stay in it.
- A person **without business income** can choose the old regime **each year** in the return filed by the **due date u/s 139(1)**. He must tell his employer his choice for TDS, but the return decides. Persons with business income use **Form 10-IEA** and can switch back only once.

### SOLUTION Q2 (a) Residential status

- Stay 130 days (< 182). He is an **Indian citizen visiting India** with Indian income above **₹15 lakh**, so the 60-day condition becomes **120 days**: 130 ≥ 120 and 400 ≥ 365 in four preceding years → **resident**.
- Under s.6(6)(c) such a person is **RNOR**; he is also RNOR as he was non-resident in 9 of 10 preceding years.
- Taxable: income **received or accruing in India**, and foreign income from a **business controlled or profession set up in India**. Foreign salary earned in Dubai and received there is **not taxable**.

### SOLUTION Q2 (b) Capital gain on land

- SDV ₹1.60 crore is within **110%** of consideration (106.7%), so s.50C does not apply; consideration = ₹1.50 crore. Held > 24 months → **LTCG**.
- **Option 1 – 12.5% without indexation**: 1,50,00,000 − 1,50,000 − 25,00,000 = ₹1,23,50,000 × 12.5% = **₹15,43,750**.
- **Option 2 – 20% with indexation** (resident individual, land acquired before 23-7-2024): indexed cost 20,00,000 × 376/117 = ₹64,27,350; indexed improvement 5,00,000 × 376/200 = ₹9,40,000; LTCG = 1,48,50,000 − 73,67,350 = ₹74,82,650 × 20% = **₹14,96,530**.
- Option 2 is lower → tax **₹14,96,530** plus cess.
- **s.54EC** (₹50 lakh in NHAI/REC bonds within 6 months, lock-in 5 years): LTCG becomes ₹24,82,650 → tax **₹4,96,530** (vs ₹9,18,750 under option 1).

### SOLUTION Q2 (c) Gifts u/s 56(2)(x)

- (i) Friend ₹40,000 and (ii) cousin ₹30,000 – a **cousin is not a "relative"**; aggregate money from non-relatives = ₹70,000 > ₹50,000 → **₹70,000 taxable**.
- (iii) Father's sister is a relative (sister of a parent) → **exempt**.
- (iv) Gifts on **marriage** → **exempt**.
- (v) Immovable property for inadequate consideration: difference ₹1,50,000 > higher of ₹50,000 and 10% of consideration (₹1,00,000) → **₹1,50,000 taxable**.
- **Total taxable: ₹2,20,000** under "Income from other sources".

### SOLUTION Q3 (a) Partnership firm

- Interest allowed at **12%** = ₹1,20,000; excess ₹30,000 disallowed u/s 40(b).
- Book profit = 18,00,000 + 12,00,000 + 30,000 = **₹30,30,000**.
- Maximum remuneration: higher of ₹3,00,000 or 90% of ₹6,00,000 (₹5,40,000) + 60% of ₹24,30,000 (₹14,58,000) = **₹19,98,000**. Actual ₹12,00,000 is within limit → allowed.
- Income = 30,30,000 − 12,00,000 = **₹18,30,000**; tax 30% ₹5,49,000 + cess ₹21,960 = **₹5,70,960** (no surcharge, income ≤ ₹1 crore). The firm must deduct TDS u/s 194T on partners' salary and interest above ₹20,000.

### SOLUTION Q3 (b) Set-off

| Particulars | ₹ |
|---|---|
| Salary 7,00,000 less HP loss (limit ₹2,00,000) | 5,00,000 |
| STCG 90,000 less business loss | Nil |
| LTCG 2,00,000 less balance business loss 30,000 and LTCL 50,000 | 1,20,000 |
| **Gross total income** | **6,20,000** |

- Business loss cannot be set off against **salary**; it is set off first against STCG (taxed at 20%) and then LTCG. LTCL is set off only against LTCG.
- **Carried forward**: HP loss ₹60,000 (8 years); brought-forward business loss ₹80,000 – no business income this year, so it continues to be carried forward (up to A.Y. 2032-33).

### SOLUTION Q3 (c) Clubbing

- Child A's income from **skill and talent** (acting) is **not clubbed** (s.64(1A) proviso); it is taxed in the child's own hands.
- Child B's interest is clubbed in the hands of the parent with the **higher income** – Mr. Nair.
- **Old regime**: exemption u/s **10(32)** of ₹1,500 per child → clubbed ₹48,500.
- **Default regime**: s.10(32) exemption is **not available** → ₹50,000 clubbed.

### SOLUTION Q4 (a) Advance tax

- Not liable if tax payable (after TDS/TCS) is **below ₹10,000** (s.208), or a **resident senior citizen** (60+) with **no business or professional income** (s.207(2)).
- **Capital gains and lottery**: as these cannot be estimated in advance, no interest u/s 234C arises if the tax on them is paid in the **remaining instalments** after the income arises (or by 31 March).

### SOLUTION Q4 (b) Updated return

- Within **48 months** from the end of the relevant A.Y. (Finance Act 2025).
- Additional tax on tax + interest: **25%** (within 12 months), **50%** (24), **60%** (36), **70%** (48).
- Not allowed if it is a **loss return**, **reduces tax**, **increases refund**, where **search/survey** is initiated, or **assessment/reassessment** is pending or completed for that year.

### SOLUTION Q4 (c) TDS

- (i) Rent ₹55,000 per month > ₹50,000 per month → TDS u/s **194-I @ 10%** (land/building).
- (ii) Fees ₹45,000 < ₹50,000 threshold (Finance Act 2025) → **no TDS** u/s 194J.
- (iii) Interest ₹80,000 to a senior citizen < ₹1,00,000 → **no TDS** u/s 194A.
- (iv) Commission ₹25,000 > ₹20,000 → **194H @ 2%** = ₹500.
- (v) **194Q**: buyer turnover > ₹10 crore; TDS **0.1%** on purchase above ₹50 lakh = 0.1% × 10,00,000 = **₹1,000**.

### SOLUTION Q4A (a) Return of loss

- Business/profession loss (s.72), speculation loss (s.73), specified business loss (s.73A), capital loss (s.74) and race-horse loss (s.74A) can be carried forward **only if the return is filed by the due date u/s 139(1)** (s.80).
- HP loss (s.71B) and **unabsorbed depreciation** can be carried forward even if the return is late. A delay may be condoned by CBDT u/s 119(2)(b).

### SOLUTION Q4A (b) Belated vs revised

| Basis | Belated s.139(4) | Revised s.139(5) |
|---|---|---|
| When | Return not filed by due date | Mistake or omission in a filed return |
| Time | By **31 December** of the A.Y. or before assessment | Same |
| Losses | Most losses cannot be carried forward | Allowed if the original was in time |
| Fee | s.234F ₹5,000 (₹1,000 if income ≤ ₹5 lakh) | None |

### SOLUTION Q4A (c) Partial integration

- Agricultural income > ₹5,000 and non-agricultural income > ₹4,00,000 → partial integration applies.
- Step 1: tax on ₹11,00,000 = 20,000 + 30,000 = ₹50,000. Step 2: tax on 2,00,000 + 4,00,000 = ₹10,000. Tax = **₹40,000**.
- Total income (non-agricultural) is ₹9,00,000 ≤ ₹12 lakh → rebate u/s 87A up to ₹60,000 → **tax payable nil**.

### SOLUTION Q5 (i) Output tax

| Supply | Value ₹ | CGST ₹ | SGST ₹ | IGST ₹ |
|---|---|---|---|---|
| Intra-State goods 18% | 20,00,000 | 1,80,000 | 1,80,000 | – |
| Inter-State goods 5% | 8,00,000 | – | – | 40,000 |
| Exports under LUT (zero-rated) | 5,00,000 | – | – | Nil |
| Exempt goods | 2,00,000 | – | – | – |
| **Forward charge** | | **1,80,000** | **1,80,000** | **40,000** |
| Reverse charge – advocate | 1,00,000 | 9,000 | 9,000 | – |

### SOLUTION Q5 (ii) Eligible ITC

| Item | CGST ₹ | SGST ₹ | Reason |
|---|---|---|---|
| Inputs (9,00,000 × 18%) | 81,000 | 81,000 | Used for business |
| Canteen food (1,00,000) | – | – | **Blocked** s.17(5)(b) – not obligatory under law |
| Machinery (6,00,000 × 18%) | 54,000 | 54,000 | Capital goods – full ITC |
| Motor car (₹3,20,000 tax) | – | – | **Blocked** s.17(5)(a) – vehicle ≤ 13 seats not used for specified purposes |
| RCM legal services | 9,000 | 9,000 | Allowed after paying in cash |
| Opening balance | 20,000 | 20,000 | IGST ₹30,000 |
| **Total** | **1,64,000** | **1,64,000** | IGST **30,000** |

### SOLUTION Q5 (iii) Cash payment

- **IGST** ₹40,000: first use IGST credit ₹30,000 (s.49 and Rule 88A) → ₹10,000 left. CGST and SGST credits are fully needed for their own heads, so ₹10,000 is paid in cash.
- **CGST** ₹1,80,000 − 1,64,000 = **₹16,000** cash; **SGST** ₹1,80,000 − 1,64,000 = **₹16,000** cash. CGST credit can never pay SGST and vice versa.
- **RCM** ₹9,000 + ₹9,000 must be paid **in cash**.
- **Minimum cash = 10,000 + 16,000 + 16,000 + 18,000 = ₹60,000**.

### SOLUTION Q5 (iv) Exports and exempt supplies

- Exports are **zero-rated supplies** (s.16 IGST Act). Under a **LUT** they are made without paying IGST, and ITC on inputs used is **not reversed**.
- Nova may claim a **refund of unutilised ITC** u/s 54(3) (Rule 89 formula: turnover of zero-rated supply × net ITC ÷ adjusted total turnover) within **2 years** of the relevant date. Here all ITC was used, so no refund arises this month.
- Exempt goods: no tax, a **bill of supply** is issued; since they were bought without ITC, no reversal under Rules 42/43 is needed.

### SOLUTION Q6 (a) Customs

| Particulars | USD |
|---|---|
| FOB | 20,000 |
| Add: licence fee (condition of sale, Rule 10(1)(c)) | 1,000 |
| Add: air freight (actual; within cap of 20% of FOB) | 3,000 |
| Add: insurance 1.125% of FOB | 225 |
| Buying commission – excluded | – |
| **CIF / assessable value** | **24,225** |

- AV in ₹ at the **CBIC rate** = 24,225 × 86 = **₹20,83,350**.
- BCD 7.5% = ₹1,56,251; SWS 10% of BCD = ₹15,625; IGST 18% × (20,83,350 + 1,56,251 + 15,625) = ₹4,05,941.
- **Total duty = ₹5,77,817**; IGST ₹4,05,941 is available as ITC to a registered importer.

### SOLUTION Q6 (b) Time of supply of services – s.13

- Invoice must be issued within **30 days** of the service.
- (i) Invoice within 30 days → earlier of invoice (7 Sep) and payment (20 Sep) = **7 September**.
- (ii) Advance → **1 September** (date of receipt).
- (iii) Invoice late (more than 30 days) → earlier of completion (1 Aug) and payment (15 Sep) = **1 August**.
- (iv) Invoice in time → earlier of invoice (7 Sep) and payment (5 Oct) = **7 September**.

### SOLUTION Q6 (c) Place of supply – s.12 IGST Act

- (i) Hotel accommodation → **location of the hotel (Goa)** – s.12(3); CGST + SGST of Goa.
- (ii) Courier to an unregistered person → where goods are **handed over** for transport – **West Bengal** (s.12(8)).
- (iii) Training to a registered person → **location of the recipient – Maharashtra** (s.12(6)).
- (iv) Passenger transport to an individual → where the passenger **embarks – Delhi** (s.12(9)).
- (v) Restaurant → where **actually performed – Rajasthan** (s.12(4)).

### SOLUTION Q6 (d) Registration

- (i) Exclusively **exempt** supplies → **not liable** (s.23).
- (ii) Inter-State **services** up to ₹20 lakh → **not liable** (exemption from s.24(i)).
- (iii) **Casual taxable person** → compulsory (s.24), at least 5 days before starting.
- (iv) Goods only, ₹35 lakh < ₹40 lakh (Maharashtra) → **not liable**.
- (v) **Manipur** is a special-category State with a **₹10 lakh** limit → **liable**.

### SOLUTION Q6A (a) E-way bill validity – Rule 138(10)

- Normal cargo: 1 day per 200 km or part → 1,850 ÷ 200 = 9.25 → **10 days**. A "day" ends at **midnight of the following day**, so day 1 ends at midnight of 6 October and the bill is valid **till midnight of 15 October 2025**.
- Over-dimensional cargo: 1 day per **20 km** → 1,850 ÷ 20 = 92.5 → **93 days**.

### SOLUTION Q6A (b) Not eligible for composition

Suppliers of services (other than restaurant) beyond s.10(2A) limits; **inter-State outward supplies**; supplies of non-taxable goods; supplies through an **e-commerce operator** collecting TCS VERIFY; **casual** and **non-resident** taxable persons; manufacturers of notified goods (**ice cream, pan masala, tobacco, aerated water, bricks** VERIFY); persons whose aggregate turnover exceeds **₹1.5 crore** (₹75 lakh in special-category States).

### SOLUTION Q6A (c) Blocked credits – s.17(5)

- **Motor vehicles** ≤ 13 seats – except for further supply, passenger transport, driving training or goods transport.
- **Food, outdoor catering, beauty treatment, health services, club membership, insurance** – except if used for the same outward supply or **obligatory under law**.
- **Works contract** for immovable property – except where it is input for further works contract; not for plant and machinery.
- **Construction of immovable property on own account** – except plant and machinery.
- **Goods lost, stolen, destroyed, written off, given as gifts or free samples**; tax paid under s.74 (fraud).

### SOLUTION Q6A (d) Types of customs duty

**Basic customs duty** (s.12 Customs Act, First Schedule CTA); **IGST** on imports (s.3(7) CTA); **Social Welfare Surcharge** (10% of BCD); **anti-dumping duty** (s.9A); **countervailing duty** on subsidies (s.9); **safeguard duty** (s.8B); **AIDC** VERIFY.