FINAL EXAMINATION **SET - 2**

MODEL ANSWERS **TERM – DECEMBER 2025**

PAPER – 19 **SYLLABUS 2022**

INDIRECT TAX LAWS AND PRACTICE

Time Allowed: 3 Hours **Full Marks: 100**

The figures in the margin on the right side indicate full marks.

SECTION – A (Compulsory)

1. Choose the correct option: **[15 × 2=30]**

(i) In which of these cases is a supply outside the scope of GST (i.e. not even deemed or taxable)?
- a) **Services by an employee to his employer in course of employment**
- b) **Services of funeral, burial, crematorium**
- c) **Actionable claims, other than lottery, betting, and gambling**
- d) **All of the above**

(ii) Which of the following is not included in the definition of "supply" under Section 7 of the CGST Act?
- a) **Sale, transfer, barter, exchange**
- b) **Import of services (whether or not in course or furtherance of business)**
- c) **Permanent transfer of business assets without consideration (if ITC was availed)**
- d) **Services by any court or Tribunal.**

(iii) A GST-registered restaurant supplies complimentary desserts (free of charge) to its customers after a qualifying spending. The cost of desserts is small compared to overall bill. Which statement is correct?
- a) **This is a supply (because part of business activity) and taxable**
- b) **This is not a supply because there is no consideration**
- c) **This is a supply only if the value exceeds ₹5,000**
- d) **This is a deemed supply only if the restaurant had claimed ITC on ingredients**

(iv) X issues an invoice on 10th April for goods supplied on 5th April. He receives payment on 20th April. What is the time of supply?
- a) **10th April**
- b) **15th April**
- c) **5th April**
- d) **20th April**

(v) An unregistered individual based in Hyderabad contacts a travel agent in Delhi to book an international flight from Mumbai to Dubai. What is the place of supply for GST purposes?
- a) **Delhi**
- b) **Hyderabad**
- c) **Mumbai**
- d) **Dubai**

(vi) Mr. C, a practicing Cost Accountant purchased 3 laptops each having tax element of ₹1,25,000 in his firm name. Two laptops he utilized in his office whereas one laptop he gifted to his sister. What is the amount of ineligible ITC?
- a) ₹1,25,000
- b) ₹2,50,000
- c) ₹3,75,000
- d) None of the above

(vii) Time limit for furnishing the details of outward supplies in Form GSTR-1 for each quarter/tax period by Registered person opting for QRMP- Scheme is
- a) 20th day of the month succeeding such tax period
- b) 10th day of the month succeeding such tax period
- c) 11th day of the month succeeding such tax period
- d) 13th day of the month succeeding such tax period.

(viii) Under GST, refund of unutilized ITC under inverted duty structure is allowed when:
- a) Input tax rate is less than output tax rate
- b) Output supplies are zero-rated
- c) Input tax rate is higher than output tax rate
- d) Inputs are exempt but outputs are taxable

(ix) The fee for filing an application for Advance Ruling is:
- a) ₹5000/- under CGST Act
- b) ₹5000/- under SGST Act
- c) ₹5000/- each under CGST and SGST Act
- d) ₹10000/- under any of the above Act

(x) The Anti-Profiteering Authority can order:
- a) Reduction in prices
- b) Imposition of GST penalties
- c) Cancellation of GST registration
- d) All of the above

(xi) 1,00,000 MT goods are imported for ₹10 lakh but goods actually received are 95,000 MT. In this case, value of goods liable to duty is—
- a) 10,00,000
- b) 9,50,000
- c) 50,000
- d) 10,50,000

(xii) From following data, find out the assessable value of imported goods: Cost of the machine at the factory of the exporting country- $ 5,000; Transport charges incurred by the exporter from his factory to the port for shipment- $ 250; Handling charges paid for loading the machine in the ship- $25; Buying commission paid by the importer- $25; Freight charges from exporting country to

India (including handling charges $ 100)- $500. Exchange rate to be considered: 1 $ = ₹45.
a) ₹2,62,545.47
b) ₹2,61,000
c) ₹2,59,875
d) None of the above

(xiii) Which of the following items is not permitted to be imported as baggage under GFA?
a) Laptop
b) Alcohol exceeding 2 liters
c) Personal jewellery
d) Used clothes

(xiv) The maximum drawback allowed under Section 74 if goods are exported without use is:
a) 98% of duty paid
b) 90% of FOB value
c) 50% of CIF value
d) Full refund of duty

(xv) Which of the following is not a condition for availing benefits under EPCG scheme?
a) Export obligation must be fulfilled
b) Imported goods must be capital goods only
c) Goods imported must be used within 1 year from import
d) License must be utilized within 18 months from issue

Answer:

(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)	(xiii)	(xiv)	(xv)
d	d	a	c	c	a	d	c	c	d	b	c	b	a	c

SECTION – B

Answer any 5 questions out of 7 questions given. Each question carries 14 marks. [5 × 14 = 70]

2. (a) Explain the activities or transactions specified in Schedule III of the CGST Act, 2017 which shall be treated as neither a supply of goods nor a supply of services. [7]

(b) Analyse the structure and key components of Form GSTR-1 under the GST regime. Highlight at least ten major headings included in the form. [7]

Answer:

(a) Supply excludes the following:

1. Services by an employee to the employer in the course of or in relation to his employment.
2. Services by court or Tribunal established under any law for the time being in force.
3. (a) The functions performed by the Members of Parliament, Members of State Legislatures, Members of Panchayats, Members of Municipalities and Members of other local authorities;

(b) The duties performed by any person who holds any post in pursuance of the provisions of the Constitution in that capacity; or

(c) The duties performed by any person as a Chairperson or a Member or a Director in a body established by the Central Government or a State Government or local authority and who is not deemed as an employee before the commencement of this clause.

4. Services of funeral, burial, crematorium or mortuary including transportation of the deceased.
5. Sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building.
6. Actionable claims, other than (w.e.f. 1st October 2023) specified actionable claims.
7. Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India.
8. (a) Supply of warehoused goods to any person before clearance for home consumption;

   (b) Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption.
9. Activity of apportionment of co-insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the insured in coinsurance agreements, subject to the condition that the lead insurer pays the central tax, the State tax, the Union territory tax and the integrated tax on the entire amount of premium paid by the insured.
10. Services by insurer to the reinsurer for which ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer, subject to the condition that the central tax, the State tax, the Union territory tax and the integrated tax is paid by the reinsurer on the gross reinsurance premium payable by the insurer to the reinsurer, inclusive of the said ceding commission or the reinsurance commission.

(b) GSTR-1 is a detailed form containing 13 different heads. The critical headings are:

1. GSTIN of the Taxable Person – Auto-populated result
2. Name – Auto-populated result
3. Gross Turnover in Last Financial Year – This has to be filed only once. From next year onwards, this field will be auto-populated
4. The Period for which the return is being filed – Month & Year shall be available as a drop-down for selection
5. Taxable outward supplies – Here, IGST shall be filled only in the case of inter-state movement whereas CGST and SGST shall be filled in case of intra-state movement. Moreover, details of any exempted sales or sale at nil rate of tax shall also be mentioned here.
6. Debit Notes or Credit Notes Details
7. Amendments to the details of any outward supplies of previous periods – This does not cover any changes by way of debit/credit notes
8. Export Sales
9. Tax Liability arising out of advance receipts
10. Tax Paid

3. (a) From the following particulars, calculate the transaction value as per Rule 30 of the CGST Rules, 2017 for GST purpose. Out of 1,000 units manufactured, 800 units have been cleared to a sister unit for further production of taxable goods on assessee's behalf, the balance 200 units are lying in the stock:

Particulars	(₹)
Direct material consumed (inclusive of IGST @ 18%)	2,36,000
Direct labour and direct expenses	1,60,000
Works overheads	40,000
Research and development costs	25,000
Administration overheads (75% related to production)	80,000
Input received free of cost from sister units	35,000
Abnormal losses (not included above)	24,000
Advertisement and selling costs	36,000
VRS compensation to employee (not included above)	1,20,000
Realisable value of scrap/wastage	20,000

[7]

(b) Ram & Co., being a registered person under GST supplied the following in the month of January 2025:

Particulars	Value in ₹
Taxable supply of goods	20,00,000
Exempted supply of goods	5,00,000
Sale of land	12,50,000
Recovery Agent services supplied to OK Bank	2,50,000
Deposit on which interest received	2,00,000
Total	42,00,000

Common inputs for the relevant tax period is ₹2,00,000.

GST applicable rate on outward supply of goods @28%. Calculate the GST liability? [7]

Answer:

(a) Statement showing Assessable Value for 800 units:

Transaction cost	Assessable value ₹	Remarks
Material cost	2,00,000	2,36,000 × 100/118
Labour cost	1,60,000	
Overheads	40,000	
Research and Development	25,000	
Administrative overheads	60,000	80,000 × 75%
Input received from sister unit	35,000	
Abnormal loss	Nil	Not considered
VRS compensation	Nil	Not considered
Resale value of scrap	-20,000	
Cost of production for 1000 u	5,00,000	

Transaction value of 800 units	4,40,000	(5,00,000 × 800u/1000u) × 110%

(b) Statement showing GST liability:

	(₹)
Output tax	5,60,000
Add: ITC reversed	95,238
Out tax liability	6,55,238
Less: ITC	(2,00,000)
Net GST liability	4,55,238

Working note:

(1) Exempted supply:

	(₹)
Exempted supply of goods	5,00,000
Sale of land	12,50,000
Recovery Agent services supplied to OK Bank	2,50,000
TOTAL	20,00,000

(2) Net ITC allowed = ₹1,04,762 (₹2,00,000 - ₹95,238)

(3) GST liability on outwards supply = ₹20,00,000 × 28% = ₹5,60,000

(4) ITC not allowed as per Rule 42(1)(i) of CGST Rules, 2017

2,00,000 × 20 L/42 L = ₹95,238/-

Sale of land and Recovery Agent to a banking company is treated as exempted supply as per Section 17(3) of the CGST Act, 2017

W.e.f. 25.1.2018, interest on deposits should not include in exempted supply. However, it is included in total turnover.

3. (a) Discuss the important provisions relating to filing of Annual Return in Form GSTR-9 under the CGST Act, 2017. [7]

(b) Analyse the provisions related to Distinct persons as per CGST Act, 2017. [7]

Answer:

(a) Important provisions relating to filing of Annual Return in Form GSTR-9 under the CGST Act, 2017:

- It is mandatory to file all the GSTR 1 & 3B forms for the financial year before filing Annual Return in Form GSTR-9.
- Additional liability for the financial year not declared in Form GSTR-1 & 3B to be declared in this return (GSTR-9).

- Taxpayers cannot claim unclaimed input tax credit through GSTR-9.
- In GSTR-9, an option to pay an additional liability declared in this form is provided through Form DRC-03 (select "Annual Return" in drop box) and such tax liability can be paid through electronic cash ledger only.
- Registered Person having No Transactions shall file NIL Annual Return.
- A Registered Person who has got his Registration cancelled during the year, is also required to file the Respective Annual Return.
- A Registered Person who has opted-in or opted-out of Composition Scheme is required to file both GSTR-9 & GSTR-4 for the relevant periods.

(b) Distinct persons is specified under section 25 of CGST Act, 2017:

Every place of business of a person where separate registration is obtained for output supply will be considered as distinct person.

Section 25(4), A person who has obtained or is required to obtain more than one registration, whether in one State or Union territory or more than one State or Union territory shall, in respect of each such registration, be treated as distinct persons for the purposes of this Act.

Section 25(5), Where a person who has obtained or is required to obtain registration in a State or Union territory in respect of an establishment, has an establishment in another State or Union territory, then such establishments shall be treated as establishments of distinct persons for the purposes of this Act.

4. (a) Samy Pvt. Ltd., owned by Rang Tarang- a famous classical singer - wishes to organise a 'Rang Tarang Music Concert' in Gurugram (Haryana). Samy Pvt. Ltd. (registered in Ludhiana, Punjab) enters into a contract with an event management company, Pooja (P) Ltd. (registered in Delhi) for organising the said music concert at an agreed consideration of ₹ 10,00,000. Pooja (P) Ltd. books the lawns of Hotel Dumdum, Gurugram (registered in Haryana) for holding the music concert, for a lump sum consideration of ₹ 4,00,000. Samy Pvt. Ltd. fixes the entry fee to the music concert at ₹ 5,000. 400 tickets for 'Rang Tarang Music Concert' are sold.

You are required to Calculate the CGST and SGST or IGST liability, as the case may be, in respect of the supplie(s) involved in the given scenario.

Will your answer be different if the price per ticket is fixed at ₹ 450?

Note: Rate of CGST and SGST is 9% each and IGST is 18%. All the amounts given above are exclusive of taxes, wherever applicable. [7]

(b) LIC of India provides you the following information for the month of April 2025. You are required to compute GST payable by the company if the company has opted to pay GST as per Rule 32(4) of CGST Rules, 2017:

(1) General policies: Total premiums collected ₹ 12,000 lakhs (Out of which 1st year premium is ₹ 5,000 lakhs)

(2) Only Risk Cover Policies: Premiums collected ₹ 500 lakhs.

(3) Variable Insurance Policies: Premiums collected ₹ 8,000 lakhs. (80% of the amount is allocated for investments on behalf of policy holder for which policy holder is given separate break up in premium receipts).

Note: Applicable rate of GST 18%. For all transaction's location of supplier and place of supply is within the same State. [7]

Answer:

(a) In the given situation, three supplies are involved:

(i) Services provided by Samy Pvt. Ltd. to audiences by way of admission to music concert.

(ii) Services provided by Pooja (P) Ltd. to Samy Pvt. Ltd. by way of organising the music concert.

(iii) Services provided by Hotel Dumdum to Pooja (P) Ltd. by way of accommodation in the Hotel lawns for organising the music concert.

(i) Section 12(6) of IGST:

Place of supply = where event is held (i.e. Gurugram, Haryana)

Location of supplier = Ludhiana, Punjab

IGST = (400 tickets × ₹5,000 per ticket) × 18% = ₹3,60,000

(ii) Section 12(7) of IGST:

Place of supply = location of recipient who is a registered person (i.e. Ludhiana, Punjab)

Location of supplier = Delhi

IGST = ₹10,00,000 × 18% = ₹1,80,000

(iii) Section 12(3)(c) :

Place of supply = Location of immovable property (i.e. Gurugram, Haryana) Location of supplier = Gurugram, Haryana.

CGST = ₹4,00,000 × 9% = ₹36,000

SGST = ₹4,00,000 × 9% = ₹36,000

If the price for the entry ticket is fixed at ₹ 450:

Admission to music concert is exempted supply under GST.

However, there will be no change in the answer in respect of supplies mentioned in point (ii) and (iii) above.

(b) Statement showing GST liability of LIC of India for the month of April 2025 under Rule 32(4) of the CGST Rules, 2017:

Particulars	Value ₹ in lakhs	Working note
General policies 1st Year premium	1,250	5,000 × 25%
2nd Year Premium	875	7,000 × 12.5%
Only Risk cover policies	500	
Variable insurance policies premium	1,600	(8,000 – 6,400)
Total taxable supply of service	4,225	
CGST 9%	380.25	(4,225 × 9%)
SGST 9%	380.25	(4,225 × 9%)

5. **(a) Explain the provisions relating to relinquishment of title to imported goods under Section 23(2) of the Customs Act, 1962. [7]**

(b) Explain the concept of a Special Economic Zone (SEZ) and discuss the applicability of taxes and duties to SEZ units. Also, state the major incentives available to SEZ units and developers. [7]

Answer:

(a) Importer may relinquish his title to the goods in the following cases [Section 23(2)]:

i. The goods may not be according to the specifications;
ii. The goods may have been damaged or deteriorated during voyage and as such may not be useful to the importer;
iii. There might have been breach of contract and, therefore, the importer may be unwilling to take delivery of the goods.

In all the above cases, the goods having been imported, the liability to customs duty is imposed and, therefore, the importer may relinquish his title to the goods unconditionally and abandon them. If the importer does so, he will not be required to pay the duty amount.

However, the owner of any such imported goods shall not be allowed to relinquish his title to such goods regarding which an offence appears to have been committed under this Act or any other law for the time being in force.

Note: It is open to the importer to exercise the option to relinquish the title on the imported goods at any time before the passing of order for clearance for home consumption or before order permitting the deposit of goods in a warehouse.

(b) Special Economic Zone (SEZ) is a specially dedicated zone built by a nation for businesses. An SEZ is developed by a nation to promote the economic growth of the country. As the companies set up in the SEZ get relaxation on the taxes by the government and other benefits such as the incentives on export duties and ease in transportation.

Applicability of Taxes and Duties to SEZ units:

SEZs are treated as foreign territory for tax purposes even though they are located within a country's borders. Supplies into SEZs are exempt from paying GST because they are considered as exports. However, when an SEZ supplies goods/services to a Domestic Tariff Area (DTA), it is exempt from paying taxes, although the receiver in the DTA has to pay IGST under reverse charge mechanism (RCM).

Incentives to Special Economic Zone Units:

The government offers many incentives for companies and businesses established in SEZs. some of the important ones are:

- Duty-free import or domestic procurement of goods for developing, operating and maintaining SEZ units.
- 100% Income tax exemption on export income for SEZ units under the Income Tax Act, 1961 for first 5 years, 50% for next 5 years thereafter and 50% of the ploughed back export profit for next 5 years.
- Units are exempted from Minimum Alternate Tax (MAT).
- They were exempted from GST. Supplies to SEZs are zero-rated under the IGST Act, 2017.

- Single window clearance for Central and State level approvals.
- There is no need for a license for import.
- In the manufacturing sector, barring a few segments, 100% Foreign Direct Investment (FDI) is allowed.
- Profits earned are permitted to be repatriated freely with no need for any dividend balancing.
- There is no need for separate documentation for customs and export-import policy.
- Many SEZs offer developed plots and ready-to-use space.
- SEZ units are eligible for MEIS, SEIS and RoDTEP duty credit scripts.

Apart from the firms operating in SEZs, developers of SEZs also receive many benefits and incentives from the government.

6. (a) X Ltd has exported following goods to USA. Discuss whether any duty drawback is admissible under section 75 of the Customs Act, 1962.

Product rate	FOB Value of Exported goods	Market Price of goods	Duty drawback
A	2,50,000	1,80,000	30% of FOB
B	1,00,000	50,000	0.75% of FOB
C	8,00,000	8,50,000	3.50% of FOB
D	2,000	2,100	1.50% of FOB

Note: Imported value of product C is ₹9,50,000. **[7]**

(b) A Ltd., sell in India from a price list which grants favourable unit prices for purchases made in larger quantities.

Sale quantity	Unit price in ₹ (Exclusive of duties and taxes)	Number of sales
1-10 units	100	10 sales of 5 units 5 sales of 3 units
11-25 units	95	5 sales of 11 units
Over 25 units	90	1 sale of 30 units 1 sale of 50 units

The selling price includes the following post shipment expenses:
Freight from port to factory in India for ₹24,000
Insurance to cover transit damage from port to factory in India for ₹6,000
Number of units imported from high seas 5,000 units. Calculate the assessable value and total customs duty.
Note: BCD @12%. **[7]**

Answers:

(a) Duty draw back amount for all the products are as follows:
Product A:
Drawback amount = 2,50,000 × 30% = ₹75,000 or ₹1,80,000 × 1/3 = ₹60,000 Allowable duty draw back does not exceed 1/3 of the market value.

Hence, the amount of duty drawback allowed is ₹60,000

Product B:

Drawback amount allowed is ₹750 (i.e. ₹1,00,000 × 0.75%).

Since, the amount is more than ₹500 even though the rate is less than 1%.

Product C:

No duty drawback is allowed, since the value of export is less than the value of import (i.e. negative sale)

Product D

No duty drawback is allowed, since the duty drawback amount is ₹30 (which is less than ₹50).

Though rate of duty drawback is more than 1%, no duty drawback is allowed.

(b)

Sale quantity	Unit price in ₹ (exclusive of duties and taxes)	Total quantity sold at each price
1-10 units	100	65
11-25 units	95	55
Over 25 units	90	80

The greatest number of units sold 80, therefore, the unit price in the greatest aggregate quantity is ₹90.

		(₹)
Sale value	=	4,50,000 (i.e. ₹90 × 5,000 units)
Less: Freight & insurance	=	30,000
Assessable value	=	4,20,000
Total customs duty	=	₹55,440 (₹4,20,000 × 13.20%)

7. (a) Raja Bhai, registered in Uttrakhand has supplied 30 tons of a chemical @ ₹50,000 per ton (excluding taxes) to P of Uttrakhand on 8th September, 2025. The invoice for the supply has also been issued on the same date. Further, following additional amounts were also charged from P:-

Particulars	**(₹)**
Freight	**1,80,000**
Packing charges	**1,10,000**
Weighing charges	**20,000**
Cost of instrument specially purchased by Singhals Brothers to manufacture the chemical	**3,10,000**

As per the terms of the contract of supply, Raja Bhai is required to get the chemical inspected by an independent testing agency before the delivery of the same to P. P has paid such inspection charges amounting to ₹12,000 directly to the testing agency. Raja Bhai has also received ₹50,00,000 as a subsidy from State Government for setting up chemical manufacturing plant in Uttrakhand.

P is required to make payment within 15 days of supply in terms of the contract. However, P delayed the payment of consideration and made payment in November, 2025 thus paid ₹15,000 as interest. You are required to calculate the GST liability in this case and due date of deposit. Assume the rate of GST to be 18%.

Note: Raja Bhai and P are not related and price is the sole consideration for the supply. [7]

(b) The goods manufactured by Royal Ltd. have been exempted from GST with effect from 15th November 2025. Earlier these goods were liable to tax @18%. Its inputs were liable to GST @ 12%. Following

information is supplied on 15th November 2025:

i. **The inputs costing ₹1,44,720 are lying in stock.**
ii. **The inputs costing ₹77,184 are in process.**
iii. **The finished goods valuing ₹4,82,400 are in stock, the input cost is 50% of the value. Royal Ltd. also**

purchased capital goods for ₹2,00,000 by paying GST 28% (invoice dated 10th July 2025) The balance in electronic credit ledger account shows credit balance of ₹2,79,104.

The department has asked Royal Ltd. to reverse the credit taken on inputs referred above. However, Royal Ltd. contends that credit once validly taken is indefeasible and not required to be reversed. Discuss.

What would be your answer if the balance in electronic credit ledger receivable account as on 15th November 2025 were ₹29,104? [7]

Answer:

(a) Computation of GST liability of Raja Bhai

Particulars	(₹)
Price of chemicals (₹50,000 × 30 tons)	15,00,000
Freight	1,80,000
Packing charges	1,10,000
Weighing charges	20,000
Cost of special instrument	3,10,000
Inspection charges	12,000
Government subsidy	Nil
Value of taxable supply – September 2025	21,32,000
Tax liability for the month of September 2025	
CGST @ 9%	1,91,880
SGST @ 9%	1,91,880
Value of taxable supply (i.e. Interest for late payment) (₹15,000 × 100/118)	12,712
CGST payable @ 9%	1,144
SGST payable @ 9%	1,144

Due dates of payment of GST:

Particulars	Time of Supply	Due date of deposit
GST liability of ₹3,83,760 for the taxable supply made by Raja Bhai	September, 2025	October 20, 2025
Interest amounting to ₹2,288	November, 2025	December 20, 2025

(b) Statement showing amount to be paid by Royal Ltd. as on 15th November 2025

S. No.	Particulars	Amount to be paid (₹)	Workings
(i)	Inputs lying in stock	17,366	₹1,44,720 × 12/100 = ₹17,366
(ii)	Inputs in process (i.e. Work in Progress)	9,262	₹77,184 × 12/100 = ₹9,262
(iii)	Inputs contained in finished goods lying in stock	28,944	₹4,82,400 × 50% × 12/100 = ₹28,944
(iv)	Capital goods	51,333	Useful life as per rule 44(1)(b) = 5 years (i.e. 60 months). No. of months capital goods have been in use = 4 months 5 days (i.e. 5 months) The useful remaining life in months = 55 months 2,00,000 × 28% × 55/60 = ₹51,333
	Amount to be paid by Royal Ltd.	1,06,905	

Amount payable by Royal Ltd.	=	₹1,06,905
Less: ITC Receivable	=	₹(2,79,104)
Excess ITC shall lapse	=	₹ (1,72,199)

Excess ITC in electronic credit ledger of ₹1,72,199 shall lapse as 15th November 2025.
If the balance in electronic credit ledger as on 15th November 2025 is ₹29,104, then amount payable is as follows**:**

Amount payable by Royal Ltd.	=	₹1,06,905
Less: ITC Receivable	=	₹(29,104)
Amount payable by electronic cash ledger	=	₹77,801