

MODEL TEST PAPER 2
FINAL COURSE: GROUP - II
PAPER – 5: INDIRECT TAX LAWS

1. Question paper comprises of two parts – Division A and Division B.
2. Division A comprises of Case Scenario based Multiple-Choice Questions (MCQs).
3. Division B comprises of questions which require descriptive type answers.
4. Working Notes should form part of the answers. However, in answers to Questions in Division A, working notes are not required.
5. All questions should be answered on the basis of the position of (i) GST law as amended by significant notifications/circulars issued and by the amendments made by the Finance (No. 2) Act, 2024 which have become effective, till 31.10.2024 and (ii) Customs law as amended by the Finance (No. 2) Act, 2024 and significant notifications/circulars and other legislative amendments made upto 31.10.2024.

Division A – Case Scenario based MCQs (30 Marks)

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.

Case Scenario-I

Swash Enterprise Pvt Ltd. is a financial service company having its offices in Kolkata, West Bengal and Mumbai, Maharashtra. The company is registered under GST in both the States. The company operates through two segments (a) banking services and (b) advisory & consulting services. The aggregate turnover of the company during the previous year was (i) ₹ 80 lakh in West Bengal & (ii) ₹ 60 lakh in Maharashtra.

The bouquet of services provided under each of the two segments are as follows:

Banking services	Advisory & consulting services
Recovery agent services	Company/LLP/Society formation
	Return filing
Direct Selling Agent (DSA) services (sale of banking products)	Detailed Project Report (DPR) preparation
	Business promotion/ product marketing/ exhibition etc.

The company has carried out following transactions during the month of September:

(Amount in ₹ excluding GST)

Particulars	Kolkata office	Mumbai office
Sale and purchase of foreign currency in course of business	Refer Note 3	Refer Note 3
Amount received from Devidas Private Limited. It has sponsored the business exhibition organized by Swash Enterprise Pvt Ltd.	90,000	70,000
Commission received as DSA from ICIDI Bank for opening bank account/credit card & loan products	48,000	50,000
Commission received from private banks for acting as recovery agent	1,20,000	1,50,000
Professional fee received for the formation of a company/LLP/society	80,000 [Refer Note 2]	40,000
Professional fee received for GST/TDS return filing	65,000	75,000
Participation fee received from customers for the business exhibition organised by the company	50,00,000 (held in Russia) [Refer Note 1]	4,00,000 (held at Chennai) [Refer Note 1]
Legal fee paid to Mr. Sundaram - an advocate	10,000	15,000
Payment made for security services (by way of supply of security personnel) received	25,000 (Sky Security Pvt Ltd.)	25,000 (M/s P & Co, a partnership firm, registered under GST)

Notes:

1. The participation fee of ₹ 50,00,000 received by the company is in respect of a business exhibition organized at St. Petersburg, Russia under the theme "Bharat Traditional Fair" in which 10 Indian companies (all registered under GST) had participated. A participation fee of ₹ 5

lakh from each Indian company was collected for providing them a stall, furniture & other amenities at St. Petersburg, Russia.

The participation fee of ₹ 4,00,000 is in respect of a business exhibition organized by the company at Chennai, in which 100 Indian companies had participated.

2. Out of the professional fee of ₹ 80,000 received by Kolkata office for the formation of a company/LLP/society, ₹ 15,000 was towards reimbursement claimed from client. It was separately mentioned in the invoice indicating that it was deposited with registrar of companies (ROC).
3. Following purchase & sale of foreign currency was made by the company during the month of September:
 - (a) Kolkata office had purchased USD 10,000 from M/s Moneywise (a FOREX dealer) @ ₹ 73 per USD on 10th September. The RBI reference rate on that day was ₹ 74 per USD.
 - (b) Mumbai office had sold USD 5,000 to M/s Money Matters (a FOREX dealer) on 15th September @ ₹ 73.20 per USD. RBI reference rate for USD on that day is not available.
4. In an order dated 14th September issued to Swash Enterprise Pvt Ltd., the Joint Commissioner of CGST, Mumbai has raised a demand of ₹ 600 crore on Mumbai office in respect of an inter-State supply transaction. The company is disputing the entire demand & wants to file an appeal before the Appellate Authority against the order of Joint Commissioner.

All the amounts given above are exclusive of GST wherever applicable (unless otherwise specified). There is no other outward or inward supply transaction apart from the aforesaid transactions in the relevant period. Swash Enterprise Pvt Ltd. is not an authorised FOREX dealer.

Based on the case scenario given above, choose the most appropriate answer to Q. nos. 1 to 4, below, carrying 2 marks each:

1. Determine the value of taxable supply in respect of sale and purchase of foreign currency by Kolkata office and Mumbai office of the company as per rule 32(2)(a) of the CGST Rules, 2017.
 - (a) Kolkata office ₹ 7200, Mumbai office ₹ 3,660
 - (b) Kolkata office ₹ 10,000, Mumbai office ₹ 3,660

- (c) Kolkata office ₹ 7,20,000, Mumbai office ₹ 3,66,000
(d) Kolkata office ₹ 7,30,000, Mumbai office ₹ 3,66,000
2. The value of taxable supply received by Mumbai office in the month of September on which tax is payable under reverse charge is _____.
- (a) ₹ 15,000
(b) ₹ 25,000
(c) ₹ 40,000
(d) ₹ 2,70,000
3. The value of taxable outward supply made by Kolkata office in the month of September on which Swash Enterprise Pvt Ltd. is liable to pay tax under forward charge is _____.
- (a) ₹ 1,78,000
(b) ₹ 2,78,000
(c) ₹ 2,65,000
(d) ₹ 1,13,000
4. The amount of pre-deposit that Swash Enterprise Pvt. Ltd. is required to deposit under the IGST Act, 2017 for filing of an appeal before the Appellate Authority is _____.
- (a) ₹ 30 crores
(b) ₹ 60 crores
(c) ₹ 25 crores
(d) ₹ 50 crores

Case scenario-II

Anthun India Limited is a 100% subsidiary of Anthun LLC, Japan, registered under GST in the State of Gujarat. Anthun Inc., Singapore, is another subsidiary of Anthun LLC, Japan, and is engaged in supply of industrial goods to customers across the world.

In India, Anthun Inc., Singapore, sells the goods to a sub-contractor registered under GST in the name of Prista Limited in the State of Maharashtra. Prista

Limited imports the goods sold by Anthun Inc., Singapore and carries out the required technical process on such goods in the factory located in Maharashtra.

After processing of goods by Prista Limited, the goods are sold by Prista Limited to Anthun India Limited for further sales to end customers.

As a holding company, Anthun LLC, Japan, recovers an amount equivalent to 20% of the sales made by Anthun India Limited as commission on monthly basis.

During the month of January, Prista Limited imported the goods worth ₹ 10,00,000 from Anthun Inc., Singapore. The inter-State purchases of Prista Limited from domestic market amounted to ₹ 2,00,000 during the month of January. The value of processed goods sold by Prista Limited to Anthun India Limited amounted to ₹ 10,00,000. Further, Anthun India Limited paid an additional amount equivalent to ₹ 2,00,000 for transportation and handling of goods to third party (a Goods Transport Operator), which was contractually agreed to be paid by Prista Limited. Prista Limited has also charged an amount equivalent to ₹ 12,000 on such processed goods as miscellaneous municipal levy (other than GST) payable in the State of Maharashtra.

Anthun India Limited sold the goods purchased from Prista Limited in the month of January as per the details provided below:

1. ₹ 6,00,000 worth goods to X Ltd, a customer located in the State of Rajasthan
2. ₹ 8,00,000 worth goods to Y Ltd, a customer located in the State of Gujarat

There is no opening stock and closing stock for the month of January with Anthun India Limited.

Further, an employee of Anthun India Limited had visited the manufacturing unit of Prista Limited in Mumbai, Maharashtra and had stayed in the hotel located in Mumbai, Maharashtra, in the month of February. At the time of checkout from hotel, the invoice was issued for an amount equivalent to ₹ 1,00,000. The hotel had issued invoice in the name of Anthun India Limited and GST was charged at the rate of 14% CGST and 14% SGST on total invoice amount of ₹ 1,00,000. Out of such amount, the amount recoverable from the employee towards non-official stay by Anthun India Limited was ₹ 50,000.

Leisure Events Ltd., an event management company, located and registered at New Delhi, had organized a cultural event in the month of February for Anthun India Limited, in Mauritius.

The opening balance of input tax credit of both Prista Limited as well as Anthun India Limited for the relevant tax periods is nil. Further, there is no other inward or outward supply transaction for Prista Limited in January and February apart from the aforementioned transactions. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled.

All the above transactions are exclusive of GST, wherever applicable. GST is applicable in the aforesaid case scenario at the following rates unless otherwise specified:

- I. Intra-State supply – 9% CGST and 9% SGST
- II. Inter-State supply – 18% IGST

The rate of basic customs duty on import of goods is nil. However, IGST is applicable on import of goods. No additional duty or cess is applicable on the import of goods or services.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 5 to 8 below, carrying 2 marks each:

5. The total GST liability net of input tax credit, if any, of Prista Limited for the month of January is:
 - (a) ₹ 2,18,160 payable as IGST.
 - (b) nil.
 - (c) ₹ 2,160 payable as IGST.
 - (d) ₹ 1,09,080 payable as CGST and ₹ 1,09,080 payable as SGST.
6. What shall be the gross IGST liability i.e. without any adjustment of input tax credit, if any, of Anthun India Limited for the month of January?
 - (a) ₹ 1,08,000
 - (b) Nil
 - (c) ₹ 1,58,400
 - (d) ₹ 33,840

7. Whether input tax credit is available on the GST paid by Anthun India Limited on the invoice amounting to ₹ 1,00,000 to the hotel located in Mumbai, Maharashtra, for stay of the employee? If yes, please specify the amount of input tax credit available.
- (a) Yes, as ₹ 14,000 CGST and ₹ 14,000 SGST
 - (b) Yes, as ₹ 28,000 IGST
 - (c) Input tax credit is not available
 - (d) Yes, as ₹ 7,000 CGST and ₹ 7,000 as SGST
8. Whether GST is applicable on the event organized by Leisure Events Ltd. for Anthun India Limited in Mauritius and what is the place of supply in such case?
- (a) GST is applicable and the place of supply is New Delhi.
 - (b) GST is applicable and the place of supply is Gujarat.
 - (c) GST is not applicable and the place of supply is Mauritius.
 - (d) GST is applicable and the place of supply is Mauritius.

Case Scenario-III

Bansilal Private Limited, registered under GST in the State of Maharashtra, is engaged in manufacturing of goods which are used for further production in automobile industry. The company sends some semi-finished inputs to job workers, M/s Yash Enterprises and M/s Jash Enterprises, for necessary processing. The processed goods are sent back by the job workers to the company where they are used for manufacturing the finished products.

M/s Yash Enterprises has its place of business in Maharashtra. M/s Jash Enterprises has its place of business in the State of Madhya Pradesh viz. 35 km away from the place of business of Bansilal Private Limited.

The company imports some raw material and stores the same for few months in the warehouse operated by M/s Sudhankar Enterprises in the State of Tamil Nadu. Later on, it is transported to the company's factory in Maharashtra. M/s Sudhankar Enterprises is not registered under GST. The aggregate turnover of M/s Sudhankar Enterprises for the current financial year is ₹ 18,25,000.

The company maintains all the records, documents and books of accounts at its place of business in Maharashtra.

Following are the relevant details of Bansilal Private Limited for the month of August.

Particulars	Amount (₹)
Total turnover	36,00,000
Total inputs received during the month	21,12,000
Total input services received during the month	8,99,000
Goods sent to M/s Yash Enterprises during the month for job work purpose by motor vehicle	75,000
Goods sent to M/s Jash Enterprises during the month for job work purpose by motor vehicle	46,800

Note: All aforementioned amounts are exclusive of GST, wherever applicable.

Bansilal Private Limited procures the service of M/s Jaggi Enterprises, a goods transport agency, having its places of business in Maharashtra, Gujarat and Kerela. M/s Jaggi Enterprises is registered in all these States with same PAN. Bansilal Private Limited transports its finished goods to different customers located within Maharashtra through M/s Jaggi Enterprises. M/s Jaggi Enterprises prepares a consignment note containing the details of consignor and consignee, value of consignment, vehicle number, details of party paying the taxes etc.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 9 to 12 below, carrying 2 marks each:

9. M/s Sudhankar Enterprises, owner of warehouse in Tamil Nadu, wishes to know as whether it is required to obtain registration under GST to conduct its business. Which of the following statements is true in this regard?
- Yes, being a warehouse operator, M/s Sudhankar Enterprises has to compulsorily take GST registration to conduct the business irrespective of the quantum of aggregate turnover.
 - No, M/s Sudhankar Enterprises is not required to take registration under GST as its aggregate turnover is below the threshold limit for registration. However, it is required to obtain a unique enrolment number under GST.
 - M/s Sudhankar Enterprises is neither required to obtain registration nor unique enrolment number under GST to conduct business.

- (d) Yes, M/s Sudhankar Enterprises is required to take registration compulsorily under GST. Further, it is also required to obtain a unique enrolment number under GST as its aggregate turnover is more than ₹ 10 lakh.
10. M/s Jaggi Enterprises wishes to obtain a unique common enrolment number (referred hereafter as CEN) for generating e-way bills. Which of the following statements is true in this regard?
- (a) M/s Jaggi Enterprises is not eligible for obtaining CEN as a transporter registered only in a single State is eligible for the same.
- (b) M/s Jaggi Enterprises is eligible for obtaining CEN as a transporter registered in multiple States with same PAN is eligible for the same. After obtaining CEN, it can use either CEN or its GSTIN for generating e-way bills throughout the country.
- (c) M/s Jaggi Enterprises is not eligible obtaining the CEN as only unregistered transporters are eligible for the same.
- (d) M/s Jaggi Enterprises is eligible for obtaining the CEN as it is registered in multiple States with same PAN. After obtaining CEN, it can use it for generating e-way bills and updating Part-B throughout the country.
11. Whether Bansilal Private Limited is required to generate e-way bill in case of transfer of goods to M/s Jash Enterprises?
- (a) No, as the value of the consignment is within the prescribed limit of ₹ 50,000.
- (b) No, as the movement of goods is within the distance limit of 50 kms.
- (c) Yes, e-way bill is required to be generated mandatorily in case of inter-State transfer of goods by principal to job worker irrespective of value of consignment.
- (d) Yes, a registered person has to generate e-way bill mandatorily for every inter-State movement of goods irrespective of the value of the consignment.
12. M/s Jaggi Enterprises wants to transport multiple consignments of Bansilal Private Limited in a single conveyance. These consignments are of different consignees and individual e-way bills (EWBs) with different validity periods have been generated for these consignments.

Can M/s Jaggi Enterprises generate one consolidated e-way bill for such multiple consignments?

- (a) No, M/s Jaggi Enterprises cannot generate a consolidated e-way bill containing the details of different EWBs since all the EWBs have different validity periods.
- (b) Yes, M/s Jaggi Enterprises can generate a consolidated e-way bill containing the details of different EWBs even if all the EWBs have different validity periods and even if it is transporting consignments of different consignees in a single conveyance.
- (c) No, M/s Jaggi Enterprises cannot generate a consolidated e-way bill since it is transporting consignments of different consignees.
- (d) There are no provisions to generate a consolidated e-way bill under the GST law.

13. Mr. Noah is registered under GST in the State of Maharashtra. He sells footwear to his customers locally within the same State. He has been appointed as an agent by Lucas Ltd., a company registered under GST in the State of Karnataka. During a financial year, Lucas Ltd., sends taxable goods worth ₹ 5.00 crore from its Bengaluru store to Mr. Noah who sells such goods for ₹ 5.00 crore by raising invoices using the GSTIN of Lucas Ltd. Mr. Noah receives a commission of ₹ 60.00 lakh from Lucas (P) Ltd., during the said financial year.

Compute the value of supply of Lucas (P) Ltd. and Mr. Noah for the financial year assuming that amounts given above are exclusive of GST, wherever applicable.

- (a) Lucas (P) Ltd.: Nil and Noah : ₹ 5.6 crore
- (b) Lucas (P) Ltd.: ₹ 5 crore and Noah : ₹ 5.6 crore
- (c) Lucas (P) Ltd.: ₹ 5 crore and Noah : ₹ 60 lakh
- (d) Lucas (P) Ltd.: ₹ 5.6 crore and Noah : Nil **(2 Marks)**

14. For the purposes of rule 7 (Deductive Value) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, determine the unit price in greatest aggregate quantity:

Shiv Ltd. makes two sales to unrelated buyers. In the first sale, 500 units are sold at a price of ₹ 95. In the second sale, 400 units are sold at a price of ₹ 100.

- (a) ₹ 95
- (b) ₹ 100
- (c) Average of ₹ 95 and ₹ 100 i.e. $(₹ 95 + ₹ 100)/2 = ₹ 97.5$
- (d) Data is insufficient to determine the unit price in greatest aggregate quantity **(2 Marks)**

15. Kapil Ltd. exported certain goods last year. The buyer has sent back those goods since the same were under warranty and required repairs. Which of the following conditions are to be satisfied by Kapil Ltd. to avail exemption on goods re-imported for repairs under *Notification No. 158/95 Cus dated 14.11.1995*?

- (i) Kapil Ltd., at the time of importation, executes a bond.
- (ii) Goods must be re-exported within 6 months or 1 year (if time is extended) of the date of re-importation.
- (iii) In case goods are not repaired, new goods are to be sent by Kapil Ltd. within 6 months.

Choose the most appropriate option.

- (a) (i) and (iii)
- (b) (i), (ii) and (iii)
- (c) (ii) and (iii)
- (d) (i) and (ii) **(2 Marks)**

Division B – Descriptive Questions (70 Marks)

Question paper comprises of 6 questions.

Answer Question No. 1 which is compulsory and any 4 questions out of the remaining 5 questions.

1. Gehna Ltd. of Jodhpur (Rajasthan) is a registered manufacturer of cosmetic products. Gehna Ltd. has furnished following details for a tax period:

Particulars		(₹)
Details of Outward supplies		
(i)	Supplies in Rajasthan	8,75,000

(ii)	Supplies in States other than Rajasthan	3,75,000
(iii)	Export under LUT	6,25,000
Details of expenses		
(i)	Raw materials purchased from registered suppliers located in Rajasthan	1,06,250
(ii)	Raw materials purchased from unregistered suppliers located in Rajasthan	37,500
(iii)	Raw materials purchased from Punjab from registered supplier	1,00,000
(iv)	Integrated tax paid on raw materials imported from USA	22,732
(v)	Consumables purchased from registered suppliers located in Rajasthan including high speed diesel (Excise and VAT paid) valuing ₹ 31,250 for running the machinery in the factory	1,56,250
(vi)	Monthly rent for the factory building to the owner in Rajasthan	1,00,000
(vii)	Salary paid to employees on rolls	6,25,000
(viii)	Premium paid on life insurance policies taken for specified employees. Life insurance policies for specified employees have been taken by Gehna Ltd. to fulfill a statutory obligation in this regard. The life insurance service provider is registered in Rajasthan.	2,00,000
All the above amounts are exclusive of all kinds of taxes, wherever applicable. However, the applicable taxes have also been paid by Gehna Ltd.		
The opening balance of ITC with Gehna Ltd. for the given tax period is-		
	CGST	₹ 20,000
	SGST	₹ 15,000
	IGST	₹ 15,000

Assume CGST, SGST and IGST rates to be 9%, 9% and 18% respectively, wherever applicable.

Assume that all the other necessary conditions to avail the ITC have been complied with by Gehna Ltd., wherever applicable.

Compute (i) ITC available with Gehna Ltd. for the tax period; and (ii) Net GST payable [CGST, SGST or IGST, as the case may be] from Electronic Cash Ledger by Gehna Ltd. for the tax period. **(14 Marks)**

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

You are required to determine the gross GST liability in respect of the supply(ies) 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. **(10 Marks)**

- (b) Mr. T imported certain goods from a related person Mr. R of US and transaction value has been rejected. Rules 4 and 5 of the Customs Valuation (Determination of value of Imported Goods) Rules, 2007 are found inapplicable as no similar/ identical goods are imported in India. Mr. T furnishes cost related data of imports and requests customs authorities to determine value accordingly as per rule 8 of the Customs Valuation (Determination of value of Imported Goods) Rules,2007. The relevant data are

1. Cost of materials incurred by Mr. R \$ 2000
2. Fabrication charges incurred by Mr. R \$ 1000
3. Other chargeable expenses incurred by Mr. R \$ 400
4. Other indirect costs incurred by Mr. R \$ 250
5. Freight from Mr. R 's factory to US port \$ 250
6. Loading charges at US port \$ 100

7. Normal net profit margin of Mr. R is 20% of FOB
8. Air freight from US port to Indian port \$ 1,500
9. Insurance from US port to Indian port \$ 50
10. Exchange rate ₹ 70 per \$

The customs authorities are of the opinion that since value as per rule 7 of the Customs Valuation (Determination of value of Imported Goods) Rules, 2007 can be determined at ₹ 4,00,000, there is no need to apply rule 8 of the Customs Valuation (Determination of value of Imported Goods) Rules, 2007.

Can the request of Mr. T be legally acceptable? If so, compute the assessable value under the Customs Act, 1962. **(4 Marks)**

3. (a) Moti Weavers, at Pune, Maharashtra is a registered input service distributor and intends to distribute ITC for the month of March. The following are the details available for such distribution:

Branch	Turnover of the last quarter (₹)	ITC specifically attributable to the branch (₹)
Ganganagar Branch (Rajasthan)	10,00,000	IGST – ₹ 12,000 CGST – ₹ 3,000 SGST – ₹ 3,000
Madhugiri Branch (Karnataka)	5,00,000	Nil
Kosala Branch (UP)	15,00,000	Nil
Mumbai Branch (Maharashtra)	20,00,000	IGST – ₹ 1,50,000 CGST – ₹ 15,000 SGST – ₹ 15,000

ITC available on input services used commonly for all branches is as under:

CGST - ₹ 60,000

SGST - ₹ 60,000

IGST - ₹ 1,20,000

ITC (IGST) of ₹ 10,000 pertaining to March (last year) was inadvertently not distributed. Whether the same can be considered for distribution in March this year?

Madhugiri, Karnataka branch uses input services to manufacture exempted products. Turnover excludes duties & taxes payable to Central and State Government.

Determine the manner of input tax distribution. **(5 Marks)**

- (b) MNO Ltd., a publishing and printing house registered in Maharashtra, is engaged in supply of books, letter cards, envelopes, guides and reference materials. The following information is provided by the company:

Event	Printing of books	Printing of envelopes
Date of entering into printing contract	16 th March	20 th March
Date of receipt of advance	20 th March	25 th March
Date of completion of printing	10 th April	5 th April
Date of issue of invoice	15 th May	10 th April
Date of removal of books and letter heads to buyer	13 th May	7 th April
Date of receipt of balance payment	31 st May	30 th April

In respect of printing of books, content was supplied by the author. For printing of envelopes, the design and logo were supplied by the buyer.

Determine the time of suppl(ies) for the purpose of payment of tax.

(5 Marks)

- (c) M/s Clear Energy Ltd. is engaged in oil exploration and has imported software containing seismic data. The importer is entitled to exemption from customs duty subject to the condition that an “essentiality certificate” granted by the Director General of Hydrocarbons is produced at the time of importation of the goods.

Though the importer applied for the certificate within the statutory time limit prescribed for the same, the certificate was not made available to the importer within a reasonable time by the Director General of Hydrocarbons. The customs department rejected the importer's claim for exemption.

Examine briefly whether the department's action is sustainable in law. **(4 Marks)**

4. (a) Mr. Goldy, a Chartered Accountant, being a partner in GST registered firm orders a software for his son Mr. Tony from a company located in USA. He makes the payment for the same from his personal bank account.

Examine whether the transaction will be liable to GST. If yes, in whose hands the tax liability will arise? **(5 Marks)**

- (b) Anuj Pvt. Ltd., a registered manufacturer, sent steel cabinets worth ₹ 50 lakh under a delivery challan to M/s Siddhi Tools, a registered job worker, for job work on 28th January. The scope of job work included mounting the steel cabinets on a metal frame and sending the mounted panels back to Anuj Pvt. Ltd. The metal frame is to be supplied by M/s Siddhi Tools. M/s Siddhi Tools has agreed to a consideration of ₹ 5 lakh for the entire mounting activity including the supply of metal frame. During the course of mounting activity, metal waste is generated which is sold by M/s. Siddhi Tools for ₹ 45,000. M/s Siddhi Tools sent the steel cabinets mounted on the metal frame to Anuj Pvt. Ltd. on 3rd December in the same financial year.

Assuming GST rate for metal frame as 28%, for metal waste as 12% and standard rate for services as 18%, you are required to compute the GST liability of M/s Siddhi Tools. Also, give reason(s) for inclusion or exclusion of the value of cabinets in the job charges for the purpose of payment of GST by M/s Siddhi Tools. **(5 Marks)**

- (c) Mr. Oliver of foreign origin has come on travel visa, to tour in India. He carries with him, as part of baggage, the following:

Particulars	Value in ₹
Travel Souvenir	85,000
Other articles carried on in person	1,50,000
120 sticks of cigarettes of ₹100 each	12,000
Fire arm with 100 cartridges (value includes the value of cartridges at @ ₹ 500 per cartridge).	1,00,000

Determine customs duty payable, if the effective rate of customs duty is 38.50% inclusive of social welfare surcharge, with short explanations where required. Ignore Agriculture infrastructure and development cess. **(4 Marks)**

5. (a) Henry & Co. self-assessed its CGST liability as ₹ 90,000 for the month of April, but failed to make the payment.

Subsequently the Department initiated penal proceedings against Henry & Co. for recovery of penalty under section 73 of the CGST Act, 2017 for failure to pay GST and issued show cause notice on 10th August which was received by Henry & Co. on 14th August.

Henry & Co. deposited the tax along with interest on 25th August and informed the department on the same day.

Department is contending that he is liable to pay a penalty of ₹ 45,000 (i.e. 50% of ₹ 90,000) under the CGST Act, 2017.

Examine the correctness of the stand taken by the Department with reference to the provisions of the CGST Act, 2017. Explain the relevant provisions in brief. **(5 Marks)**

- (b) Mr. Raman had filed an appeal before the Appellate Tribunal against an order of the Appellate Authority where the issue involved relates to place of supply. The order of Appellate Tribunal is also in favour of the Department. Mr. Raman now wants to file an appeal against the decision of the Appellate Authority as he feels the stand taken by him is correct.

You are required to advise him suitably with regard to filing of an appeal before the appellate forum higher than the Appellate Tribunal. **(5 Marks)**

- (c) Enumerate the circumstances under which goods are considered to have been removed improperly from a warehouse under the Customs Act, 1962. **(4 Marks)**
6. (a) Briefly explain whether an appeal could be filed before the Appellate Authority against order of Authority for Advance Ruling (AAR), with reference to sections 100 and 101 of the CGST Act, 2017. **(6 Marks)**
- (b) Elaborate the functions of Anti-profiteering Authority under GST laws? Discuss the relevant provisions. **(4 Marks)**

OR

- (b) State the various modes of service of a notice, decision, order, summons, or any other communication under the CGST Act, 2017 on the taxable person or any other person to whom it is intended. **(4 Marks)**
- (c) State salient aspects of Advance authorisation for annual requirements to exporters. **(4 Marks)**