

MODEL TEST PAPER 5
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

Sudershan Transport Agency (P) Ltd. (hereinafter referred to as “STAL”), registered under GST in Jaipur, Rajasthan, is providing services by way of transportation of goods by road for which it issues consignment notes, to all the sectors of industries.

It maintains trucks, trollers, advance carriages for heavy loads, lorries and small tractors, for the purpose of transportation and renting purposes. It also maintains special vehicles which has special storage features and other advance facilities for transporting defence equipments and other complex machineries, chemical and food products.

It has provided the following details for the current financial year:

- (i) STAL rendered transportation services to farmers in Rajasthan for transportation of agricultural produce to nearby cities for ₹ 2,00,000.

- (ii) STAL gave buses on rent to ABC Travels who provided services of transport of students, staff and faculty to a higher secondary school in Rajasthan affiliated to CBSE. STAL charged ₹ 5,00,000 for the same during the year.
- (iii) STAL also had entered into a contract with local authority in Rajasthan to provide services by way of transportation of relief material to flood affected victims for which ₹ 2,50,000 is charged.
- (iv) Manimani Bank, (registered in Bhubaneshwar, Orissa) sent its branch manager Mr. Champak on one year deputation on a special project to Bhopal, Madhya Pradesh. Mr. Champak's family is stationed in Kanpur (U.P.). Manimani Bank enters into a contract with STAL for transportation of the household goods of Mr. Champak from Kanpur to Bhopal for ₹ 1,50,000.
- (v) STAL transported defence equipments to a military camp based in Rajasthan and amount charged for such services is ₹ 5,50,000.
- (vi) STAL provided service of transportation of goods to a co-operative society in Rajasthan which was newly constituted and hence was not registered under GST law and the amount charged was ₹ 3,00,000. While transporting the goods of the said co-operative society, STAL generated e-way bill on Monday at 12:04 am. The goods were to be transported for a distance of 220 km.
- (vii) STAL owns and maintains its own petrol pump in Rajasthan wherein the revenue from supply of petrol was ₹ 20,00,000.

Notes:

1. Assume that GST is payable on the transportation in the aforesaid case scenario at the following rates unless otherwise specified:
 - I. Intra-State supply – 6% CGST and 6% SGST
 - II. Inter-State supply – 12% IGST
2. All the above amounts are exclusive of GST, wherever applicable, unless otherwise specified.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 1 to 5, carrying 2 marks each, below:

1. Determine the value of outward supplies made by STAL which are exempt from GST as per section 2(47) of the CGST Act, 2017.

- (a) ₹ 35,00,000
 - (b) ₹ 15,00,000
 - (c) ₹ 16,00,000
 - (d) ₹ 5,50,000
2. Determine the place of supply of the services of transportation of household goods of Mr. Champak provided by STAL.
- (a) Jaipur, Rajasthan
 - (b) Bhubaneshwar, Orissa
 - (c) Kanpur, Uttar Pradesh
 - (d) Bhopal, Madhya Pradesh
3. Calculate the aggregate turnover of STAL for the current financial year.
- (a) ₹ 35,00,000
 - (b) ₹ 39,50,000
 - (c) ₹ 19,50,000
 - (d) ₹ 38,00,000
4. Determine the period of validity of e-way bill generated by STAL for transporting the goods of the co-operative society.
- (a) Tuesday-Wednesday at 12.00 midnight
 - (b) Wednesday-Thursday at 12.00 midnight
 - (c) Wednesday at 12.00 noon
 - (d) Wednesday at 2.00 pm
5. Whether tax is required to be deducted under section 51 of the CGST Act, 2017 for the service provided by STAL to local authority in Rajasthan?
- (a) No; since the value of contract is not less than ₹ 2,50,000.
 - (b) Yes; since the value of contract is more than ₹ 2,50,000.
 - (c) Yes; since TDS is mandatorily to be deducted for any supplies made to a local authority irrespective of the value of supply.
 - (d) No; since it is an exempt supply.

Case Scenario-II

M/s Gopi Narayan & Company is a partnership firm of advocates, registered under GST in Mumbai, Maharashtra. In the month of April, the firm has supplied services amounting to ₹ 15 lakh. The following information is provided in relation to the some of the services provided:

S. No.	Particulars	Value of service (₹)
1.	Herbal Power (P) Ltd. (Registered in Telangana in the preceding financial year as per the provisions of section 22 of the CGST Act, 2017) Provided consultation for preparation of an affidavit in relation to construction of a hotel building in the State of Maharashtra.	50,000
2.	Veranta India (P) Ltd. (Registered in Gujarat in the preceding financial year as per the provisions of section 22 of the CGST Act, 2017) Filed a suit in the Gujarat High Court on behalf of the company	200,000
3.	Ms. Saloni (Registered under GST as a salon service provider in Maharashtra in the preceding financial year as per the provisions of section 22 of the CGST Act, 2017) Legal service amounting to ₹ 1 lakh was provided in the month of February for which invoice was issued on 15 th February. However, payment is made by the client on 5 th April. The firm has charged ₹ 10,000 as penalty (exclusive of GST) for delayed payment of consideration. Said penalty is also paid by the client on 5 th April. Apart from this, as per the agreement with the client, the firm had paid ₹ 20,000 as attestation charges on behalf of the client, mentioned separately on the invoice, which were reimbursed by the client in the month of February itself.	-

Note: The turnover of M/s Gopi Narayan & Company in the previous financial year was ₹ 50 lakh. The firm is engaged solely in providing legal services and it does not import/export any services from/to outside India.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 6 to 8, carrying 2 marks each, below:

6. Whether the service provided to Veranta India (P) Ltd. is exempt under GST? If not, whether tax is payable under reverse charge?
- (a) Yes, all services provided by an advocate firm are exempt from GST.
 - (b) No, since service is provided to a business entity that is registered under GST in the preceding financial year as per the provisions of section 22 of the CGST Act, 2017. Further, tax shall be payable by M/s Gopi Narayan & Company under forward charge.
 - (c) Yes, any service provided by an advocate firm to a business entity is exempt under GST.
 - (d) No, since service is provided to a business entity that is registered under GST in the preceding financial year as per the provisions of section 22 of the CGST Act, 2017. Further, tax shall be payable by Veranta India (P) Ltd. under reverse charge.
7. What shall be the value of supply provided to Ms. Saloni in terms of section 15 of the CGST Act, 2017?
- (a) ₹ 1,10,000
 - (b) ₹ 1,00,000
 - (c) ₹ 1,30,000
 - (d) ₹ 1,20,000
8. What shall be the time of supply for supplies made to Ms. Saloni in respect of original amount ₹ 1 lakh and penalty amount of ₹ 10,000? Given financial year is not a leap year.
- (a) For whole amount of ₹ 1,10,000: 15th February
 - (b) For ₹ 1 lakh: 15th February and for ₹ 10,000: 5th April
 - (c) For whole amount of ₹ 1,10,000: 5th April
 - (d) For ₹ 1 lakh: 15th April and for ₹ 10,000: 5th April

Case Scenario-III

Zoom Air is an airline company operating domestic as well as international flights. The head office of Zoom Air is in Mumbai and the company has also obtained registration under GST in each of the States from where the flight operations are being conducted.

During the month of January, following transactions were undertaken by it:

- (i) Zoom Air sold air tickets worth ₹ 5,00,000 during the month from its head office and the breakup of air fare is as follows:

Basic fare excluding GST – ₹ 4,00,000

Passenger Service Fee (PSF) and User Development Fee¹ (UDF) [inclusive of GST] – ₹ 1,00,000

PSF and UDF are remitted by Zoom Air to the airport authority. Further, the amount of PSF and UDF is separately disclosed in the invoice issued to customers by Zoom Air along with applicable GST. The airport authority pays an amount of 5% of PSF and UDF (inclusive of GST amount) collected as collection charges to Zoom Air on which GST is applicable. There is no levy of PSF and UDF on the tickets booked by Zoom Air for its own crew or other employees.

- (ii) Zoom Air (Head Office) has collaborated with Supertrip India, an online travel portal, providing services to the customers by way of booking air tickets through its electronic commerce platform and registered under GST in the State of Maharashtra. During the month, Supertrip India booked tickets for ₹ 2,00,000 (base fare excluding GST, PSF and UDF) for the customers of Zoom Air. The amount was remitted by Supertrip India to Zoom Air after adjusting the amount of tax collected at source under section 52. In addition to the aforesaid amount, Supertrip India charged commission from Zoom Air at the rate of 5% of the base fare of air tickets booked.
- (iii) Zoom Air (Head Office) charged 100% cancellation fee from the customers for bookings made in prior months. The amount of cancellation fee charged was ₹ 1,00,000 inclusive of GST. Instead of actually collecting the cancellation fee from the customers, such amount was adjusted against the booking amount and GST discharged at the time of initial bookings. However, the PSF and UDF amounting to ₹ 10,000 (inclusive of GST) charged from the customers against such bookings were refunded.

¹ Both PSF and UDF are statutory fees which are required to be collected by the airlines as per Government directions and authorization given to airlines.

- (iv) Zoom Air (Head Office) provided gifts in the form of air tickets to 10 of its employees based at its head office for an amount equivalent to ₹ 60,000 each. No amount was recovered from the employees for such air tickets.
- (v) Zoom Air has a corporate tie-up with Welcome Hotel, located in Rajasthan, for stay of its crew members. For January, the hotel issued an invoice of ₹ 5,00,000 in the name of Zoom Air, Head office, Mumbai.

Haryana office of Zoom Air has provided services by way of sale of online advertisement space to Amazing Pvt. Ltd. (a company registered in the State of Haryana) for promotion of Amazing Pvt. Ltd.'s products. The amount charged for such service by Haryana office of Zoom Air is ₹ 5,00,000.

All the amounts given above are exclusive of GST unless otherwise provided. The opening balance of Electronic Credit Ledger of Zoom Air and Supertrip India for the relevant tax period is nil. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled. Assume that there is no other outward or inward supply transaction apart from aforesaid transactions, in the month of January.

GST is applicable on all inward and outward supplies unless otherwise specified @ 18%. (Ignore CGST, SGST and IGST bifurcation for the sake of simplicity.)

In case of cancellation of tickets, the airport authority and Zoom Air had an agreement that PSF and UDF related adjustment shall be finalized at the end of financial year, i.e., during the month of March. Further, separate GST invoice shall be issued to carry out such adjustment in books of accounts.

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

9. The gross GST liability of Mumbai Head Office of Zoom Air for the month of January is:
- (a) ₹ 1,08,000
 - (b) ₹ 72,000
 - (c) ₹ 1,80,000
 - (d) ₹ 2,16,900

10. Determine all kinds of credits available to Mumbai Head Office of Zoom Air for setting off against its GST liability for the month of January is:
- (a) ₹ 2,800
 - (b) ₹ 93,800
 - (c) ₹ 3,800
 - (d) ₹ 96,800
11. Assuming that the customers, in point (i) of the case scenario above, are registered customers and all other conditions for availment of input tax credit are complied with, the amount of input tax credit available to such customers would be:
- (a) ₹ 90,000
 - (b) ₹ 72,000
 - (c) ₹ 87,254
 - (d) ₹ 76,272
12. Choose the most appropriate answer in relation to the transaction between Haryana office of Zoom Air and Amazing Pvt. Ltd.:
- (a) The service is in the nature of online information and database access or retrieval services and Amazing Pvt. Ltd. is liable to pay IGST of ₹ 90,000.
 - (b) The sale of advertisement space is deemed sale of services as per Schedule II of CGST Act, 2017 and liable to CGST of ₹ 45,000 and SGST of ₹ 45,000.
 - (c) Zoom Air is required to pay IGST of ₹ 90,000 and Amazing Pvt. Ltd. is required to collect tax at source on consideration paid to Zoom Air.
 - (d) Zoom Air is required to pay CGST of ₹ 45,000 and SGST of ₹ 45,000 and full credit shall be allowed to Amazing Pvt. Ltd.
13. Safeguard duty cannot be imposed if:
- (a) The article on which it is proposed to be imposed originates from a developed country provided its share of imports is not more than 3% of total imports of that article in India.

- (b) The article on which it is proposed to be imposed originates from a developing country provided its share of imports is not more than 5% of total imports of that article in India.
- (c) The article on which it is proposed to be imposed originates from more than one developing country and its aggregate share of imports from developing countries each with less than 3% share taken together does not exceed 9% of total imports of that article into India.
- (d) The article is imported by a person in special category State.

(2 Marks)

14. In which of the following cases, the refund under section 27 of the Customs Act, 1962 is credited to the consumer welfare fund?
- (a) If the importer proves that there is no unjust enrichment.
 - (b) Where goods are imported for non-personal use of an individual and he could not prove that there is no unjust enrichment.
 - (c) If the amount of refund relates to drawback of duty under sections 74 and 75 of the Customs Act, 1962.
 - (d) If the amount relates to the duty paid in excess (as evident from the bill of entry in case of self-assessed bill of entry) by the importer before an order permitting clearance of goods for home consumption is made.

(2 Marks)

15. Mr. Lal, a registered person under GST, was the proprietor of M/s Spiceton Restaurant.

He died and left behind his wife and son, on 15th August.

His son – Mr. Pal - wants to continue the business of the deceased father.

The GST consultant of M/s Spiceton Restaurant gives advice to Mr. Pal as to how he can continue the business of his deceased father.

Which of the following options is correct in accordance with the provisions of GST law?

- (a) Mr. Pal should apply for a new registration under GST in the name M/s Spiceton Restaurant under his own PAN w.e.f. the date of succession and file Form GST ITC 02 for transfer of ITC to the new entity.

- (b) Mr. Pal can get the authorized signatory changed by approaching to the Proper Officer and can continue the same business.
- (c) Mr. Pal should close the old firm and start new business under different name.
- (d) Mr. Pal should do the business with his mother as the new proprietor of the M/s Spiceton Restaurant, and Mr. Pal should act as a Manager. **(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. XYZ Ltd., a registered supplier under GST in the State of Tamil Nadu, is engaged in providing various kinds of supplies of goods and services. It provides the following information for month of October of current financial year:

S. No.	Particulars	Amount (₹)
	OUTWARD SUPPLY:	
(i)	Supplies a consignment of goods in the territorial water to M/s Vikram Industries, registered in Kerala. The said territorial waters is located at a distance of 12 nautical miles from the baseline of State of Kerala and 11 nautical miles from the baseline of State of Tamil Nadu.	5,00,000
(ii)	Provided pure labour services of construction of a single commercial unit located in Delhi not forming part of any residential complex to a customer in Delhi.	12,00,000
(iii)	Supplied 25 televisions over the counter to Mr. Vijay, an unregistered buyer, who took it to his residence in Haryana.	14,00,000 (Value for 25 televisions supplied.)
	INWARD SUPPLY:	
(i)	Received a debit note in respect of inward intra-State taxable supplies received in the financial year for the quantity difference as agreed. Said	3,00,000

	inward supplies were originally received 2 financial years back and were used for all goods manufactured in factory. Date of debit note is 17 th October of the current financial year.	
(ii)	Purchased silk yarn (to be used as raw material) from Mr. Ravi, who manufactures silk yarn from raw silk. Mr. Ravi is registered in the State of Rajasthan.	8,00,000
(iii)	Availed services of an arbitral tribunal in Chennai, Tamil Nadu to settle a case relating to the Companies Act.	6,00,000
(iv)	Purchased raw material from ABK Ltd., registered in the State of Andhra Pradesh.	15,00,000
(v)	Purchased a new truck from a dealer in Cochin, Kerala for transport of materials.	14,00,000

Notes:

The company provided the following additional information related to above said transactions or otherwise:

- (i) The company claimed depreciation under the Income-tax Act, 1961 on the value of new truck purchased including all applicable taxes.
- (ii) The company provided a corporate guarantee of ₹ 2.5 crore to BYH Ltd., its related company, having registered office in the State of Maharashtra, for loan availed by the later form Mangal Bank Ltd., Maharashtra. No consideration has been charged against this corporate guarantee.
- (iii) In the month of March of preceding financial year, company had availed services in an inter-State transaction with a taxable value of ₹ 9,00,000 and a tax rate of 18%. This transaction was liable to tax under reverse charge. Payment for the same to the supplier was not made till the current month (overdue for 181 days during October of current financial year). However, tax due under the said transaction was paid to Government and input tax credit availed in the month of transaction itself.
- (iv) The accountant of the company did not claim input tax credit in respect of debit note received for the reason that the original

purchase was related to earlier years for which ITC claim eligibility has become time barred.

- (v) Invoice issued to Mr. Vijay for televisions mentions only his name and State. However, his complete address of Haryana is missing in the invoice.
- (vi) ABK Ltd. is mandatorily required to issue e-invoice. However, it did not issue e-invoice with Invoice Reference Number (IRN) although the invoice was reflected in GSTR-2B.
- (vii) Turnover of XYZ Ltd. for the precious financial year was ₹ 190 lakh.
- (viii) Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively for both inward and outward supply of goods and services involved.
- (ix) All the amounts given above are exclusive of the GST, wherever applicable. There is no opening balance of any input tax credit and all the conditions necessary for availing the input tax credit have been fulfilled except if mentioned otherwise and also that details of GST paid on inward supplies are available in GSTR 2B.
- (x) Assume that all the inward supplies have been used only for taxable outward supply.
- (xi) Company is not covered under any of the exception of rule 86B of the CGST Rules, 2017 regarding restriction on use of available input tax credit.

Compute minimum net GST liability of M/s XYZ Ltd, to be paid in cash if any, after utilizing input tax credit if any, for the month of October of current financial year.

Note: Working notes along with legal reasoning of each item should form part of your answer. **(14 Marks)**

2. (a) A banking company M/s. YVPAY Bank Ltd. is registered under GST laws and provided the following services during the month of October.

S. No.	Particulars	Amount (₹)*
(i)	Discount earned on bills discounted	6,00,000
(ii)	Interest earned on reverse repo transaction	2,00,000

(iii)	Penal interest recovered from the borrower for the delay in payment of loan EMIs/Dues	5,00,000
(iv)	Services to merchants accepting credit /debit card payments using Point of Sale (POS) machine of bank. (In 50% cases, the amount per transaction was up to ₹ 1,500 while in the other cases, the amount was between ₹ 1,500 to ₹ 2,000)	6,50,000
(v)	Commission received for debt collection service	12,00,000
(vi)	Interest charges for last payment of credit card dues	4,00,000

*exclusive of GST

M/s. YVPAY Bank Ltd. had opted for optional method, under section 17(4) of the CGST Act, 2017, for claiming input tax credit in respect of its operations. For the month of October, the relevant details for input tax credit are as follows:

Amount of GST paid on eligible input services - ₹ 8,00,000

Amount of GST paid on eligible capital goods - ₹ 6,00,000

Amount of GST paid on items whose credit is blocked under section 17(5) of the CGST Act, 2017 - ₹ 3,00,000

Applicable rate of GST is 18% on services provided.

Based on the information given above, calculate the net GST payable by the bank for the month of October. Ignore bifurcation of CGST and SGST or IGST. **(5 Marks)**

- (b) M/s. Win here 2407 is an online money gaming platform operating from Singapore. It provides its users a platform to play and win money in different games etc. that are available on its web portal.

In the month of October, Mr. Anil (player), an unregistered person located in India, deposited an amount of ₹ 15,000 (inclusive of GST) in the master wallet available on the portal of M/s Win here 2407. Subsequently, following transactions were undertaken by Mr. Anil during the month of October.

- (i) Mr. Anil utilized the amount of ₹ 2,500 from the master wallet towards playing a virtual racing game on the portal. As a winning amount ₹ 11,000 was credited to the master wallet of Mr. Anil.
- (ii) On another portal operated by M/s Win here 2407 in the name of Win 90, Mr. Anil placed a bet of face value of ₹ 12,000 on an international cricket match. The amount of such bet was paid through the master wallet with applicable taxes and accordingly, the bet amount of ₹ 12,000 with applicable taxes was transferred from the master wallet of Mr. Anil to the bank account of Win 90. However, he lost the bet.
- (iii) Mr. Anil transferred the balance amount from the master wallet to his bank account after doing the aforesaid transactions.

Based on the information provided above, answer the following questions, providing reasons in brief:

- (1) Compute the taxable value under GST law and total GST payable on the aforesaid given transactions in the hands of M/s Win here 2407 in India.
- (2) Determine the net amount transferred by Mr. Anil from the master wallet to his bank account after the aforesaid transactions.

Note:

Assume all the above transactions to be exclusive of GST unless otherwise specified. Rate of GST applicable is 28% (ignore the bifurcation of GST amount into CGST and SGST or IGST). Calculate amount of value and tax rounded off to nearest rupee.

(5 Marks)

- (c) Calculate the assessable value (rounded off to nearest one rupee) under the Customs Act, 1962 with appropriate working notes from the following particulars related to import of a machine (by sea) by Daksh Industries from USA in the month of October:

S. No.	Particulars	Amount
(i)	Cost of machine at the port of exportation	US \$ 8,200
(ii)	Freight from port of export to port of import	US \$1,800
(iii)	Daksh Industries had paid to seller the cost for packing (not as condition of sale but included in cost of machine at point (i) above)	US \$ 400
(iv)	Actual selling commission paid by Daksh Industries to local agent of exporter.	₹ 20,000
(v)	Actual insurance charges paid are also not ascertainable.	-
(vi)	Ship demurrage charge paid by Daksh Industries at port of importation.	₹ 15,000
(vii)	Engineering charges paid by Daksh Industries to consultancy firm in Mumbai as a condition of sale.	₹ 1,25,000

Note:

- (i) Rate of exchange to be considered ₹ 80 for one US \$
- (ii) Relevant legal reasoning should form part of your answer.

(4 Marks)

3. (a) Determine the 'place of supply' along with justification for the following independent cases:
 - I. Crystal Clear Water Ltd. (CCWL) is a manufacturer of mineral water and registered under GST in Mumbai, Maharashtra. CCWL enters into a contract with Global Advertising Agency (GAA) registered under GST in Ahmedabad, Gujarat for displaying its advertisement on hoardings at an awards event organized at Convention Centre Gandhinagar, Gujarat on 31st October. The structure on which the hoardings are to be displayed is taken on rent by GAA from Mr. Kapoor (unregistered person based in Delhi.). Determine the 'place of supply' for tax invoice to be raised by GAA to CCWL.

- II. Mr. Sunil (unregistered person under GST) is a resident of Delhi and currently posted in Dehradun, Uttarakhand. He went on an official visit to Arunachal Pradesh. He purchased a leather bag on 15th October from Arunachal Pradesh and shop keeper M/s ABC issued a tax invoice in the name of Mr. Sunil only. Mr. Sunil returned back to Dehradun along with leather bag. Determine the 'place of supply' for tax invoice issued by M/s. ABC to Mr. Sunil.
- III. Mr. Pintu (unregistered person under GST), resident of Karnal, Haryana went to visit Shimla, Himachal Pradesh along with his family during holidays in the month of October. Due to some medical emergency, he purchased some medicines on 20th October from a medical store at Mall Road, Shimla and the tax invoice was issued in the name of Mr. Pintu mentioning the address as Karnal, Haryana only. The medicines purchased were consumed in Shimla during the period of stay. Determine the 'place of supply' for tax invoice issued by medical store to Mr. Pintu. **(5 Marks)**
- (b) Mr. Sharma, director of VEE Ltd., provides personal guarantee on 31st October to a nationalized bank for sanctioning the cash credit facility of ₹ 100 lakh sanctioned in favour of VEE Ltd. Mr. Sharma was not paid any consideration for the same by VEE Ltd.
- Whether the said activity undertaken by Mr. Sharma will be considered as supply? If yes, what will be the value of such services? Explain in brief the relevant provisions of GST law. **(5 Marks)**
- (c) GHN Ltd. imported certain items on 14th October. According to GHN Ltd, these items should be classified under chapter heading no. XXXX.AB of the Customs Tariff schedule whereas the Department's view was that these items should be classified under different chapter heading number XXXX.AC. So, there was a dispute going on between GHN Ltd. and the Department regarding the classification of product.
- Meanwhile, an exemption notification was issued on 26th October which exempted the disputed goods by classifying it under chapter

heading number XXXX.AB for the future imports from 30th October onwards.

Now, GHN Ltd. claimed that since the Department exempted product under chapter heading XXXX.AB. Hence, its items are also to be classified under the same heading even though it imported goods earlier.

Discuss with the help of decided case law if any, whether the contention of GHN Ltd. is correct as per law?

Note: Chapter headings given above are just an example and not the real one. **(4 Marks)**

4. (a) Rajwada Operators Limited (ROL) is registered under GST in the State of Karnataka as an Electronic Commerce Operator (ECO). It owns and operates a web portal which supplies various goods and services on behalf of various sellers/service providers to its ultimate customers. Details of supplies undertaken through ROL in the month of October are as under:
- (i) Sale of goods worth ₹ 1,47,500/- (including GST) by A Ltd., registered supplier of Rajasthan to B Ltd., Gujarat. Also, goods worth taxable value of ₹ 1,40,000 sold by A Ltd., Rajasthan to B Ltd., Gujarat in the month of September were returned back in the month of October.
 - (ii) Value of services provided from 21st October to 30th October by way of transportation of passengers by motor vehicles by X Ltd., registered under GST in Karnataka to Z Ltd., registered under GST in Karnataka amounting to ₹ 5,50,000/- (it includes ₹ 1,50,000 against transportation services provided by omnibus).
 - (iii) Miss Zara of Mumbai books a room for 3 days and 2 nights in Raj Niwas Palace, Jodhpur, Rajasthan through Maharaja Resorts Ltd. (MRL), also an ECO registered under GST in Karnataka. MRL is integrated with ROL who has an agreement with Raj Niwas Palace. Raj Niwas Palace is registered under GST in Rajasthan and raises an invoice for ₹ 1,50,000 to Miss Zara and receives ₹ 1,45,000 from ROL for the same.

All the figures given above are exclusive of GST except wherever specified separately. Assume rate of CGST and SGST to be 9% each and IGST to be 18% on all inward and outward supplies of goods and services. Compute the amount of TCS to be collected by ROL for the month of October.

Working notes should form part of your answer. **(5 Marks)**

- (b) Bhagwan Manufacturers & Exporters Company (BMEC) is registered under GST in the State of Rajasthan and supplies various goods in domestic as well as in international markets. It is engaged in both manufacturing and trading of goods. It exports goods without payment of tax under bond or letter of undertaking in accordance with the provisions of section 16(3) of the IGST Act, 2017.

BMEC provides the following information in relation to various supplies made by it during October tax period:

S. No	Particulars	(₹)
1.	Taxable value of goods 'Star' supplied within India	14,00,000/-
2.	Taxable value of goods 'Sun' exported without payment of tax under letter of undertaking. (However, taxable value of such goods when supplied domestically by BMEC in similar quantities is ₹ 6,00,000).	10,00,000/-
3.	Taxable value of goods 'Moon' exported without payment of tax under bond. (However, taxable value of such goods when supplied domestically by BMEC in similar quantities is ₹ 1,50,000)	2,00,000/-

The input tax credit (ITC) availed [IGST] for the above tax period is as follows:

S. No.	Particulars	(₹)
1	Input tax credit availed on capital goods	1,00,000/-
2	Input tax credit availed on inputs	3,00,000/-
3	Input tax credit availed on inputs services	1,50,000/-

BMEC also provided following additional information:	
(i)	All the above inputs, input services and capital goods are used in manufacturing process and all the conditions for availing input tax credit have been complied with.
(ii)	The balance in the electronic credit ledger of BMEC at the time of filing the refund application is ₹ 1,50,000/-.
(iii)	The balance in the electronic credit ledger of BMEC at the end of the October tax period for which the refund claim is being filed after GSTR-3B for the said period has been filed is ₹ 3,25,000/-

You are required to compute the amount refundable to Bhagwan Manufacturers & Exporters Company against accumulated unutilized input tax credit for October tax period according to the provisions of GST law by giving necessary explanations for treatment of various items. **(5 Marks)**

- (c) Varun Goyal, an IT professional and a person of Indian origin, is residing in USA for the last 14 months. He wishes to bring a used microwave oven (costing approximately ₹ 1,85,500/- and weighing 15 kg) with him during his permanent return to India. He purchased the oven in USA 6 months before and he has been using that oven for his personal use in his kitchen. He is not aware of Indian customs rules.

Analyze and summarize the related legal provision of the Baggage Rules, 2016 and provide him with some advice in this regard. Relevant legal provisions should form part of your answer.

(4 Marks)

5. (a) In an order passed dated 1st April issued to Sita Ram Pvt. Ltd., the Commissioner of Central Tax, being Revisionary Authority has confirmed IGST demand of ₹ 1400 crore, penalty of ₹ 200 crore and interest of ₹ 20 crore.

Sita Ram Pvt. Ltd. admits the tax liability, penalty and interest to the extent of ₹ 200 crore, ₹ 20 crore and ₹ 10 crore respectively but wishes to litigate the balance amount of demand and thus, Sita Ram Pvt. Ltd. deposits the required amount of pre-deposit on 12th April and files an appeal with the GSTAT.

GSTAT decides the appeal in favour of Sita Ram Pvt. Ltd. on 12th June. Sita Ram Pvt. Ltd. submits an application seeking refund of the pre-deposit along with applicable interest on 2nd July and the department acknowledges the application on the same day. The amount of pre-deposit is refunded to Sita Ram Pvt. Ltd. on 15th October.

With reference to provisions of the GST law, compute the amount of pre-deposit required to be deposited before filing an appeal to GSTAT and interest payable by the Department on refund of such pre-deposit, if any, along with necessary explanations. **(5 Marks)**

- (b) GST Department initiated prosecution proceedings against Mr. Sahil, a taxable person under GST. Mr. Sahil collected ₹ 8 crore as GST but failed to pay the same to the Government beyond the period of three months from the date on which such payment became due.

He approached the Commissioner on 15th October with a request for compounding of offence. Mr. Sahil made full and true disclosure of facts relating to the case. After considering the request, the Commissioner directed him to pay an amount of ₹ 5.2 crore as compounding amount on 20th October.

As per the provisions of section 138 of the CGST Act, 2017 read with relevant rule of the CGST Rules, 2017, examine the issue and provide the answers with supporting explanatory note to the following:

- (1) Determine the minimum and maximum compounding amount which can be determined by the Commissioner.
- (2) Is the amount determined by the Commissioner in this case within the limits prescribed under the GST law?
- (3) In what time period will Mr. Sahil have to pay the compounding amount ordered by the Commissioner? **(5 Marks)**

- (c) Mr. Pandya imported certain raw material from Japan. However, Mr. Pandya was not able to furnish certain supporting documents related to the said raw material imported along with the Bill of Entry for home consumption. Mr. Pandya requested the customs officials to deposit the said imported goods in a public bonded warehouse for a period of 20 days so that he obtains the required documents.

The Customs officer initially denied for allowing warehousing and afterwards insisted Mr. Pandya to execute an indemnity bond for the goods to be deposited in the warehouse.

Examine the correctness of the stand taken by the Customs Officer.

(4 Marks)

6. (a) Under what circumstances, the Revisional Authority (RA) cannot exercise the powers of revision under section 108 of the CGST Act, 2017.

Is there any exception to the above provision?

(6 Marks)

- (b) What is search warrant? Who is the competent authority to issue Search Warrant under the CGST Act, 2017? What details should be contained in a Search Warrant?

OR

- (b) Which officers under section 72 of the CGST Act, 2017 are empowered and are required to assist proper officers in the implementation of the CGST Act?

(4 Marks)

- (c) Under Foreign Trade Policy (FTP), what does the National Trade Facilitation Action Plan aim to achieve? Enumerate the trade facilitation measures which are provided under Foreign Trade Policy (FTP).

(4 Marks)