

**FINAL EXAMINATION****SET - 2****MODEL ANSWERS****TERM – JUNE 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) Aggregate turnover does not include:**

- a) Inward supplies on which tax is payable on reverse charge basis
- b) Exempt supplies
- c) Export of goods or services or both
- d) Inter-State supplies of persons having the same PAN number

(ii) What action should be taken by an assessee to satisfy with anti-profiteering provision?

- a) Reduce rate of tax on any supply of goods or services, if such assessee has got the benefit of such reduced rate
- b) Pass on the benefit of input tax credit, if such assessee has got such input tax credit
- c) Both (a) and (b)
- d) none of the above

(iii) As per section 69(2) of CGST Act, 2017, where a person is arrested under sub-section (1) for an offence specified under sub-section (5) of section 132, the officer authorised to arrest the person shall inform such person of the grounds of arrest and produce him before a Magistrate within _____ hours:

- a) 12 hours
- b) 24 hours
- c) 48 hours
- d) 36 hours

(iv) Whether penalties under any other provisions of the Act be imposed in respect of adjudication proceedings under section 73 or 74?

- a) Yes
- b) No
- c) At proper officer's discretion
- d) None of the above

(v) Period for Retention of Accounts under GST is:

- a) 72 months from the due date of furnishing of annual return for the year pertaining to such accounts and records.
- b) 60 months from the due date of furnishing of annual return for the year pertaining to such accounts and records.
- c) 180 days from the due date of furnishing of annual return for the year pertaining to such accounts and records.

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- d) 365 days from the due date of furnishing of annual return for the year pertaining to such accounts and records.
- (vi) Determine the amount of GST in case of supply of service of ₹10,00,000 on 4th February 2025 and invoice has also been issued on the same date. The date of payment is 31st January 2025. The CGST rate has been increased from 5% to 12% w.e.f. 1st February 2025.
- a) ₹50,000
 - b) ₹1,00,000
 - c) ₹70,000
 - d) ₹1,20,000
- (vii) Mr. Ram a second-hand car dealer purchased a second hand car for ₹2,50,000. He sold the same car to Mr. Lakshman for ₹3,00,000. Determine value of supply?
- a) ₹3,00,000
 - b) ₹2,50,000
 - c) ₹50,000
 - d) None of the above
- (viii) Mr. Ajay purchased goods from Mr. Chethan, a composition dealer worth ₹100,000. Since Mr. Chethan was trader so he was supposed to pay only 1% of his turnover as his tax. The item so purchased was otherwise taxable at 12%. What is the amount of credit which Mr. Ajay is eligible to take?
- a) ₹990
 - b) ₹12,000
 - c) ₹1,000
 - d) Not eligible to claim credit
- (ix) Annual Return is summary of:
- a) GSTR-1
 - b) GSTR-3B
 - c) GSTR-4
 - d) All of the above.
- (x) Refund shall not be paid to the applicant if the amount of refund is less than –
- a) ₹1000
 - b) ₹5000
 - c) ₹7000
 - d) ₹10000
- (xi) Calculate Free on Board value from following: Ex-factory price of exporter- ₹10,000; Expenses upto loading of goods by foreign exporter- ₹12,000. Post importation cost- ₹8000:
- a) ₹30,000
 - b) ₹22,000
 - c) ₹18,000
 - d) ₹20,000

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- (xii) Bona fide baggage means:
- used personal effects, travel souvenirs and articles other than those mentioned in Annexure I.
 - used personal effects, travel souvenirs and articles other than those mentioned in Annexure II.
 - used personal effects, travel souvenirs and articles other than those mentioned in Annexure III.
 - None of the above.
- (xiii) _____ grants the permission for manufacturing or other operations in the bonded facility.
- Assistant Commissioner of Customs
 - Deputy Commissioner of Customs
 - Additional Commissioner of Customs
 - Commissioner of Customs
- (xiv) Once a _____ is cleared for home consumption, the bond submitted by the importer gets debited automatically in the customs automated system and the details shall be made available electronically to the Jurisdictional Custom Officer.
- Bill of Entry
 - Shipping Bill
 - Entry inwards
 - Entry outwards
- (xv) Trading Units undertaking to export may be set up under EOU, EHTP, STP or BTP Scheme for:
- Rendering of services
 - Agriculture including agro-processing
 - bio-technology
 - None of these.

SECTION – B

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

- 2) (a) Discuss the cases in which it is not necessary to generate an E-Way Bill under the GST framework. [7]
(b) Analyse the contents of form GSTR-3B. [7]
- 3) (a) From the following information calculate the value of taxable supply and GST payable thereon if all charges are exclusive of GST.
- Hiring of bus (capacity to carry 10) to APSRTC (a state transport undertaking): ₹22 lakhs
 - Hiring of goods vehicle to a goods transport agency: ₹12 lakhs
 - Hiring of cars designed to carry passengers to a goods transport agency: ₹22 lakh
 - Renting of dumpers: ₹15 lakhs
 - Hiring of audio visual equipment's for an event: ₹15 lakhs
 - Hiring of pandal or shamiana for organizing functions/events: ₹30 lakhs
 - Hiring of agro machinery for use in agriculture: ₹11 lakh
- Assessee willing to avail the exemption benefits if any. Assume applicable rate of GST is 5%. Location of supplier and place of supply in the same State. [7]

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(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]

- 4) (a) Identify the persons or entities who are liable to deduct TDS under the GST law. [7]
(b) Analyse who can be considered as a 'related person' under Section 15 of the CGST Act, 2017? [7]
5. (a) Hari Ltd., a registered supplier in Mumbai (Maharashtra), has supplied goods to Santhi Traders and Peace Motors Ltd. located in Ahmedabad (Gujarat) and Pune (Maharashtra) respectively. Hari Ltd. has furnished the following details for the current month:

Sl. No.	Particulars	Santhi Traders (₹)	Peace Motors Ltd. (₹)
(i)	Price of the goods (excluding GST)	20,000	15,000
(ii)	Packing charges	600	
(iii)	Commission	400	
(iv)	Weighment charges		1,000
(v)	Discount for prompt payment (recorded in the invoice)		500

Items given in points (ii) to (v) have not been considered while arriving at price of the goods given in point (i) above.

Calculate the GST liability [CGST & SGST or IGST, as the case may be] of Hari Ltd. for the given month. Assume the rates of taxes to be as under:

Particulars	Rate of tax
Central tax (CGST)	9%
State Tax (SGST)	9%
Integrated tax (IGST)	18%

Make suitable assumptions, wherever necessary. [7]



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- (b) Arihant Life Insurance Company Ltd. (ALICL) has started its operations in the year 2025-26 (w.e.f. 1-7-2023). During the year 2025-26, Arihant Life Insurance Company Ltd. (ALICL) has charged gross premium of ₹180 lakhs from policy holders with respect to life insurance policies; out of which ₹100 lakhs have been allocated for investment on behalf of the policy holders.

Compute the GST liability of ALICL for the year 2025-26 under rule 32(4) of the CGST Rules, 2017

- if the amount allocated for investment has been intimated by ALICL to policy holders at the time of providing service.
- if the amount allocated for investment has not been intimated by ALICL to policy holders at the time of providing of service.
- if the gross premium charged by ALICL from policy holders is only towards risk cover. Applicable rate of GST 18%. [7]

6. (a) Briefly explain the Remission of Duties and Taxes on Exported Products (RODTEP) Scheme Operating Principles. [7]
- (b) Describe Advance Authorisation Scheme. Who are the eligible applicants, and what supplies are eligible under the scheme? [7]

7. (a) 'A' exported a consignment under drawback claim consisting of the following items -

Particulars	Chapter Heading	FOB value ₹	Drawback rate
200 pieces of pressure stores mainly made of beans @ ₹80/piece	74.04	16,000	4% of FOB
200 Kgs. Brass utensils @ ₹200 per Kg.	74.13	40,000	₹24/Kg.
200 Kg. Artware of brass @ ₹300 per Kg.	74.22	60,000	17.50% of FOB subject to a maximum of ₹38 per Kg.

On examination in docks, weight of brass Artware was found to be 190 Kgs. and was recorded on shipping bill. Compute the drawback on each item and total drawback admissible to the party. [7]

- (b) From the particulars given below, calculate the assessable value of the imported goods under the Customs Act, 1962.

	US \$
(i) Cost of the machine at the factory of the exporting country	10,000
(ii) Transport charges incurred by the exporter from his factory to the port for shipment.	500
(iii) Handling charges paid for loading the machine in the ship	50
(iv) Buying commission paid by the importer	50
(v) Freight charges from exporting country to India	1,000
(vi) Exchange Rate to be considered 1\$ = ₹75	

[7]

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8. (a) M/s. X Ltd. of Chennai, engaged in various businesses has provided the following services, whose values are listed below. Calculate its GST liability:

- (1) Service of interior decoration in respect of immovable property located in Jammu: ₹5 lakhs;
- (2) Service of renting of commercial buildings in Delhi: ₹15 lakhs;
- (3) Architectural services to an Indian Hotel Chain which has business establishment in Mumbai for its newly acquired property in Sydney: ₹25 lakhs;
- (4) Services provided as an Indian agent undertaking marketing in India of goods of a foreign seller: ₹51 lakhs;
- (5) Services provided as travel agent undertaking marketing in India of services of a foreign seller: ₹1 lakh.

Applicable rate of GST 18%.

[7]

- (b) X Ltd., a unit in SEZ, received services from various service providers in relation to authorized operations in SEZ during the month January 2025. The following details are furnished for the month January, 2025:

- (i) Value of Taxable services used exclusively for authorised operations within SEZ: ₹5,00,000 (exemption from GST availed).
- (ii) Value of Taxable Services used by SEZ units and DTA units: ₹8,00,000. GST paid @18%.
- (iii) Value of Taxable Service used wholly for DTA units: ₹3,00,000. GST paid @18%.
- (iv) Export Turnover of SEZ Unit: ₹1,00,00,000
- (v) Turnover of DTA Unit: ₹60,00,000

Calculate the ITC and amount of refund if any?

Note: All input services used by SEZ for its authorized operations only.

[7]