

CA Final
IDT Sept 25

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Roll No.603691.....



Total No. of Questions – 6

Total No. of Printed Pages – 12

Maximum Marks – 70

GENERAL INSTRUCTIONS TO CANDIDATES

1. The question paper comprises two parts, Part-I and Part-II.
2. Part-I comprises Multiple Choice Questions (MCQs).
3. Part-II comprises questions which require descriptive answers.
4. Ensure that you receive the question paper relating to both the parts. If you have not received both, bring it to the notice of the invigilator.
5. Answers to MCQs in Part-I are to be marked on the OMR answer sheet as given on the cover page of descriptive answer book only. Answers to questions in Part-II are to be written in the same descriptive answer book. Answers to MCQs, if written inside the descriptive answer book, will not be evaluated.
6. OMR answer sheet given on the cover page of descriptive answer book will be in English only for all candidates, including for Hindi medium candidates.
7. **The bar coded sticker provided in the attendance register, is to be affixed only on the descriptive answer book.**
8. You will be allowed to leave the examination hall only after the conclusion of the exam. If you have completed the paper before time, remain in your seat till the conclusion of the exam.
9. Duration of the examination is 3 hours. You will be required to submit the descriptive answer book with OMR cover page to the invigilator before leaving the exam hall, after the conclusion of the exam.
10. The invigilator will give you acknowledgement on Page 2 of the admit card, upon receipt of the descriptive answer book.
11. Candidate found copying or receiving or giving any help or defying instructions of the invigilators or having / using mobile phone or smart watch or any other electronic gadget will be expelled from the examination and will also be liable for further punitive action.

PART – II

70 Marks

1. Question paper comprises 6 questions. Answer Question No. 1 which is compulsory and any 4 out of the remaining 5 questions.
2. Working notes should form part of the answer.
3. Answers to the questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate has not opted for Hindi Medium, his/her answers in Hindi will not be evaluated.
4. All questions should be answered on the basis of position of (i) GST law as amended by the Finance (No. 2) Act, 2024 including significant notifications and circulars and other legislative amendments made, which have become effective upto 28-02-2025 and (ii) Customs law as amended by the Finance (No. 2) Act, 2024 including significant notifications and circulars and other legislative amendments made, which have become effective upto 28-02-2025.

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PART - II

- ✓ 1. Sakura Impex Limited (SIL), a registered supplier in the State of Andhra Pradesh, provides the following details of transactions undertaken in the month of January 2025 : 14

Sl. No	Particulars	Amount in ₹
	Outward transactions :	
(i)	Received an order for printing books from a Publisher who owned the content. Paper, Ink and Printing activities were undertaken by SIL and books were supplied as ordered. (Service)	7,00,000 <i>Notification main Supply content.</i>
(ii)	Received rent from a GST registered limited company for use of SIL's commercial building at Andhra Pradesh, used for the purpose of residential quarters for the employees of the tenant company.	1,20,000 <i>Renting of Residential Quelling RCM</i>
(iii)	Provided printing related consultancy services to M/s Tay Hung & Co, a resident of ^{NIT} South Korea, for the new market potential for its latest Hi-tech printing machine. Market study involving demo of machine working was conducted in Japan, Indonesia and State of Andhra Pradesh, India. Out of consideration of ₹ 20 lakhs, ₹ 14 Lakhs was apportioned to study done abroad.	20,00,000
(iv)	Provided a corporate guarantee to a related person located in India, who was not eligible for full ITC.	70,000
(v)	Received an advance for supply of services related to footwear sector.	1,00,000

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(vi)	Supplied an old machinery used in manufacture of taxable goods to Mr. Prasadh of Karnataka on the instruction of Mr. Subba Rao registered in Vizag, Andhra Pradesh.	4,00,000
	Inward transactions :	
(vii)	Paid consideration to Andhra Pradesh Government towards grant of certification relating to safety of workers at the workplace as required by the local laws.	60,000

The following additional information be taken into consideration :

- Wherever details for determination of Place of Supply are not given in the question, it shall be taken as Inter-State transaction.
- Out of total consideration received for Printing of books, ₹ 3,00,000 was related to Paper and Ink.
- SIL had filed Letter of Undertaking for zero-rated supplies to make exports without payment of tax.
- Corporate guarantee was given for grant of Term Loan by a PSU Bank for Solar Panel Installation amounting to ₹ 20 Lakhs with a term of 5 years. The related party availed only ₹ 15 Lakhs since it could manage the balance funds through its internal sources.
- Supply of service as well as Invoice for footwear sector supply was made on 14th February 2025. There was a change in rate of tax from 12% by a notification issued in January 2025 to 18% with effect from 1st February 2025.
- SIL had purchased the machine referred in Sl. No (vi) above in the month of January 2024 at a cost of ₹ 6,00,000 excluding GST. Since invoice was also issued in January 2024, ITC was eligible and claimed during the same month.

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- (g) Except as otherwise stated, Rate of CGST, SGST and IGST are 6%, 6% and 12% respectively for Paper and ink and 9%, 9% and 18% respectively for all other inward and outward supply of goods and/or services.
- (h) All the amounts given above are exclusive of taxes wherever applicable.
- (i) All the conditions applicable for availing ITC have been complied with, subject to the information given above and the said ITC were exclusively used for taxable outward supply only.

From the information given above, you are required to compute the net GST liability payable in cash (CGST, SGST or IGST as the case may be) for the month of January 2025. Brief reason for the treatment of each item should form part of the answer.

2. (a) Mr. Viswas is registered under GST in the State of Karnataka. He is engaged in providing multiple types of services and provides the following information related to his business for the month of February 2025 :

Particulars	Amount in ₹
(a) Provided Security Services to various concerns (Out of ₹ 5,00,000, services provided to unregistered persons was ₹ 1,00,000)	5,00,000 CGST / SGST
(b) Provided services for organizing an entertainment event to Wonderful Films Limited, registered in the State of Telangana, for launch of their new movie. Event was held in the State of Karnataka.	15,00,000 Inter. IGST

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(c) Provided training services in a program organized by National Skill Development Corporation, even though Mr. Viswas was a not a training partner.	2,00,000 Exempt Intra.
(d) Availed tax consultation services from his CA (Registered) ITC	30,000 Intra.
(e) Availed various input services in relation to organizing entertainment event as in point (b) above from registered persons. ITC	4,00,000 Intra.
(f) Sold his old godown used for the purposes of his business (stamp value was ₹ 14,00,000)	20,00,000

Following additional information is also provided by Mr. Viswas :

(i) Wherever details for determination of Place of Supply are not given in the question, it shall be taken as Intra-State transaction.

(ii) Imported consultation services in the course of his business from his Father-in-Law in Australia, without a consideration and valued at ₹ 1,20,000. *Sch I Para 4. Deemed Supply.*

(iii) All the amounts given above are exclusive of tax, wherever applicable.

(iv) Assume the rate of Tax for CGST/SGST/IGST as 9%, 9% and 18% respectively for both inward and outward supplies.

(v) Subject to the information given above, Mr. Viswas fulfilled all the conditions required for availing ITC.

You are required to determine the Value of taxable supply and net GST liability payable in cash by Mr. Viswas for the month of February 2025.

Reason for treatment of each items needs to be given in the answer.

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(b) ABT Ltd. provided the following details of the one of its recent transaction of import of a machine through vessel from Japan in the month of January, 2025 :

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S. No.	Particulars	Amount in Japanese Yen (¥)
(i)	Cost upto port of exportation incurred by exporter	5,00,000
(ii)	Loading charges at the port of exportation	15,000
(iii)	Freight Charges from port of export to port of import in India	1,15,000
(iv)	Actual insurance charges paid to the place of importation	20,000

Following additional amount was also paid by ABT Ltd. :

S. No.	Particulars	Amount In Indian (₹)
(i)	Designing charges paid to Consultancy firm in <u>New Delhi</u> , which was necessary for such Machine <i>Not included.</i>	6,00,000
(ii)	Commission paid (<u>Not buying</u> commission) to local agent of exporter	1,20,000

included 10(c)(1)(a)(i)

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Other Information :

1	Bill of entry :-	Dated 20.01.2025 On that day :- (a) Basic Custom duty (BCD) rate was 10% (b) Exchange rate as notified by CBIC 1 Yen = ₹ 0.65 (c) The inter-bank rate was 1 Yen = ₹ 0.67
2	Entry inward :-	Dated 25.01.2025 On that day :- (a) Basic Custom duty (BCD) rate was 15% (b) Exchange rate as notified by CBIC 1 Yen = ₹ 0.66 (c) The inter-bank rate was 1 Yen = ₹ 0.68

From the above particulars, company wants you to calculate the Assessable Value and Basic Custom duty (BCD) payable with appropriate working notes under Customs Act, 1962.

3. (a) Examine the following independent scenarios and answer the questions given thereon :

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- (i) M/s Sea Foods Limited, registered in the State of Tamilnadu, made a supply of goods to M/s Eat Well Limited, registered in State of Maharashtra. The supply was made in the territorial waters, where appropriate baseline was situated within 4 nautical miles from the State of Kerala and 12 nautical miles from the State of Tamilnadu. Determine the Place of Supply with proper reasoning.

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- (ii) M/s Speed Logistics gave on hire its Tipper Lorries to M/s ABC, a mining firm for transporting minerals from mining pit head to railway siding. Vehicle was given with driver but fuel cost was to be borne by the recipient. M/s Speed Logistics considered this transaction as exempt supply since it was covered under the entry of transportation of goods by road except by GTA in the exemption notification. Examine the correctness of this treatment. *wrong*.

- (b) M/s Murty and Sons Ltd (MSL) is dealing in property business and registered under GST since 2021 in Bengaluru, Karnataka having turnover of ₹ 2 crores in Financial Year 2023-24. MSL has taken legal service from Mr. Sachin, a Junior Advocate on 10th December, 2024. MSL paid ₹ 80,000 for this service on 18th February, 2025 through NEFT and the whole transaction was entered in the books on this day only.

In this case you are required to determine Time of Supply of service provided by Mr. Sachin to MSL in the following independent situations for the purpose of payment of tax under GST law along with explanations for the same :

S. No.	If Mr. Sachin is :	Invoice issued by :	Invoice issued on :
1.	An Unregistered person	M/s Murty and Sons	8 th January, 2025
2.	An Unregistered person	M/s Murty and Sons	13 th January, 2025
3.	An Unregistered person	No invoice Issued	No invoice Issued Date of Payment 18 Feb 25
4.	A Registered person	Mr. Sachin	6 th January, 2025

Ignore the panel provision for late or not issue of invoice.

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- (c) M/s DMP Overseas Ltd. imports goods from USA and intends to avail the benefit of an exemption notification issued under section 25(1) of the Customs Act, 1962 with regard to said goods. However, since it does not have a manufacturing facility at all, it needs to send the goods so imported for job work to a third party job worker Mr. Raju. 4

The accountant of M/s DMP Overseas Ltd. advised it that as per the Customs (Import of Goods at Concessional Rate of Duty or for Specified End Use) Rules, 2022, M/s DMP Overseas Ltd. is not permitted to send such goods to third party for job work.

You are required to advise M/s DMP Overseas Ltd. on the said issue elaborating the relevant legal provisions under the customs law.

4. (a) M/s Seagull and Co. filed the GST return u/s 39 for the month of December 2024 with a delay of 73 days. Total Tax paid in the said return was ₹ 60,000. Out of which ₹ 40,000 was set off from e-credit ledger and the balance ₹ 20,000 was set off from e-cash ledger. E-cash ledger had a balance of ₹ 6,000 since 1st December 2024. 5

You are required to determine with explanations :

- (i) Interest, if any, payable u/s 50(1) of the CGST Act, 2017 in respect of delayed payment of tax by Seagull and Co.

- (ii) Suppose if, all facts remaining the same, except that the said return was filed after the issue of notice u/s 74A, determine the interest, if any, payable u/s 50(1) of the CGST Act, 2017. 10000 or 10% of Tax ↑

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(b) Comment and discuss with explanations the validity of the below statements with reference to provisions related to registration under GST law : 5

- (i) "There is no need of registration at all if a person is engaged in supply services (intra-state and/or inter-state) only through an E-Commerce Operator (ECO)."
- (ii) "There is no requirement of the physical verification of business premises."
- (iii) "There is no requirement to provide the details of bank account at the time of application of registration." *within 30 days.*

(c) Ms. Veronica, a UK Citizen, aged 17 years, visited India on tourist visa on 01.02.2025. She brought with her the following items on her visit, 4

- (A) Travel Souvenir worth ₹ 60,000 *Free*
- (B) Laptop computer valued ₹ 40,000 *Free CBIC notified.*
- (C) Other articles carried on in Person worth ₹ 75,000 *15000*

With reference to the Baggage Rules, 2016, determine the value of baggage liable to customs duty.

5. (a) M/s Balaji Electronics Pvt. Ltd. of Chennai, Tamilnadu, handed over 5
certain goods to transporter M/s Super Fast Roadways on 15th December, 2024 to be delivered to M/s Anna Electronics in Vellore, Tamilnadu amounting to ₹ 3,00,000. The said goods were chargeable to tax @ 18% GST (9% CGST & 9% SGST). The proper officer intercepted the vehicle u/s 68 of the CGST Act, in transit and seized the goods on 16th December, 2024.

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No one came forward to release the consignment till 31st December, 2024, so the proper officer issued a penalty order u/s 129(3) of the CGST Act. M/s Balaji Electronics Pvt. Ltd. did not admit to the entire penalty amount specified in the order and hence filed an appeal to the Appellate Authority (AA) against the said order.

From the above information given above, calculate :

- (i) The amount of pre-deposit required to be deposited for filing appeal to AA u/s 107(6) of the CGST Act against the order passed u/s 129(3) of the CGST Act.
- (ii) The amount to be paid by M/s Super Fast Roadways for release of its conveyance u/s 129 of the CGST Act.

Your answer should include explanations with necessary provisions in brief.

(b) M/s True and Co. (Firm) filed its GST return for the month of January 2025 and in the said return tax was short paid inadvertently due to a mistake committed in filing the return. Due date for filing of Annual return for the Financial Year 2024-25 is 31.12.2025. The firm asks your opinion with brief legal provisions on the following issues :

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- (i) What is the latest date by which Show Cause Notice (SCN) u/s 74A can be issued by the proper officer in the above situation?
- (ii) What is the time-line to pass order for the above said SCN ?
- (iii) What would be your answer for point (i) and (ii) in case the reason of short payment was as a result of wilful-misstatement ?

Assume that no extension of time will be provided by the appropriate authority for passing the order in the above situation.

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- (c) Section 26A of the Customs Act, 1962 provides that the import duty paid on clearance of imported goods for home consumption capable of being easily identified shall be refunded to the person by whom or on whose behalf such duty was paid subject to the fulfillment of certain conditions. You are required to list those conditions with explanation.

6. (a) 'Generally Appellant is not allowed to produce any additional evidence at the appeal stage.' Examine this statement with reference to Rule 112 of the CGST Rules, 2017 and discuss in brief the provisions related to production of additional evidence before the Appellate Authority or the Appellate Tribunal.

- (b) Section 160 of CGST Act, 2017 provides that the assessment proceedings shall not be invalid on certain grounds. You are required to list such grounds along with type of proceedings covered with explanation.

OR

- (b) What is meant by 'commencement of audit' with reference to Section 65 of the CGST Act, 2017 ? Also state the time limit for the completion of the audit in such cases.

- (c) Who has the authority to place an entity in Denied Entity List (DEL) and what are the restrictions imposed on the entity placed in DEL?

Also enumerate when can the name once placed under DEL be removed from DEL?

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