

**Mock Test Paper - Series I: March, 2024****Date of Paper: 13 March, 2024****Time of Paper: 2 P.M. to 5 P.M.****FINAL COURSE: GROUP - II****PAPER – 5: INDIRECT TAX LAWS**

1. Question paper comprises of two parts – Part-I and Part-II.
2. Part-I comprises of Case Scenario based Multiple-Choice Questions (MCQs).
3. Part-II comprises of questions which require descriptive type answers.
4. Working Notes should form part of the answers. However, in answers to Questions in Part I, 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 Act, 2023 which have become effective, till 31.10.2023 and (ii) Customs law as amended by the Finance Act, 2023 and significant notifications/circulars and other legislative amendments made upto 31.10.2023.

**Part-I – 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**

‘Galgotia Travels Ltd.’ (GTL) is established on 3<sup>rd</sup> April in the city of Bangalore (Karnataka) and the primary objective of the company is to provide air-conditioned contract-based passenger transportation services at affordable fares. The company obtains the voluntary registration under GST from 1<sup>st</sup> May. On 1<sup>st</sup> July, the company purchased motor vehicles of various seating capacities as follows:

Seating capacity (including driver)	No. of vehicles	Purchase price (per vehicle- exclusive of taxes)	Rate of GST
7 persons	4	10,00,000	CGST-9%; SGST - 9%
9 persons	3	12,00,000	CGST-9%; SGST - 9%
11 persons	2	14,00,000	CGST-9%; SGST - 9%
13 persons	1	15,00,000	IGST-18%

From the month of July, GTL associated with POKO Ltd. to enhance the business operations. POKO Ltd. owns/operates an electronic platform for supply of passenger transportation services in Bangalore. The company developed an application called ‘POKO’ through which the customers can access the nearest available motor vehicles (cabs) and avail the services. POKO Ltd. collects the consideration for the services from the customers and remits the same to the

service provider (GTL) after retaining the commission charged by it for using its electronic platform.

The details of few bookings of GTL in the month of July are as follows:

(These bookings are obtained by GTL on its own account and not through POKO Ltd.)

Order No.	Date of travel	Starting city	Ending city	Residence of the customer	Date of payment/booking	Status of customer
CA-234	5 <sup>th</sup> July	Bangalore	Chennai	Bangalore	3 <sup>rd</sup> July	Registered*
CA-435	11 <sup>th</sup> July	Bangalore	Chennai	Chennai	9 <sup>th</sup> July	Unregistered
PH-534	16 <sup>th</sup> July	Chennai	Bangalore	Hyderabad	14 <sup>th</sup> July	Registered*
GK-987	19 <sup>th</sup> July	Hyderabad	Bangalore	Delhi	17 <sup>th</sup> July	Unregistered
UV-777	22 <sup>nd</sup> July	Bangalore	Hyderabad	Mumbai	20 <sup>th</sup> July	Registered*
XE-001	25 <sup>th</sup> July	Chennai	Bangalore	Kolkata	23 <sup>rd</sup> July	Unregistered

\*Registered in the State in which they reside

In all the above cases, journey is a single-day journey and invoice is issued electronically on the date of travel immediately after the completion of journey.

The details of the passenger transportation services supplied by GTL through POKO Ltd. & GST liability on the supply is as follows:-

Particulars	July (₹)	August (₹)	September (₹)
Value of services	1,30,00,000	1,25,00,000	1,40,00,000
CGST	9,00,000	8,00,000	8,50,000
SGST	9,00,000	8,00,000	8,50,000
IGST	4,00,000	3,50,000	4,50,000

Note:

1. All amounts are exclusive of CGST/SGST or IGST, as the case may be.
2. Booking is confirmed only after paying total fare for the journey.
3. There is no other inward or outward supply transaction for GTL in the relevant period apart from the aforementioned transactions.
4. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled.

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

1. Amount of blocked credit in respect of motor vehicles purchased by GTL on 1<sup>st</sup> July is\_\_\_\_\_.
- (a) CGST= ₹ 9,36,000; SGST=₹ 9,36,000 & IGST = ₹ 2,70,000

- (b) CGST=₹ 3,24,000; SGST=₹ 3,24,000 & IGST=₹ 2,70,000  
 (c) CGST = Nil; SGST = Nil & IGST = ₹ 2,70,000  
 (d) CGST = Nil; SGST = Nil & IGST = Nil
2. Amount of GST payable through electronic cash ledger by GTL on the services supplied by it through POKO Ltd. during the month of July, ignoring the provisions of rule 86B of the CGST Rules, 2017, is\_\_\_\_\_.
- (a) CGST=₹ 9,00,000; SGST=₹ 9,00,000 & IGST=₹ 4,00,000  
 (b) CGST = Nil; SGST = Nil & IGST = ₹ 58,000  
 (c) CGST = Nil; SGST = Nil & IGST = ₹ 1,30,000  
 (d) CGST = Nil; SGST = Nil & IGST = Nil
3. Amount of tax to be collected at source by POKO Ltd. on the taxable supplies made through it during the months of A) July, B) August and C) September, is\_\_\_\_\_.
- (a) A) ₹ 65,000; B) ₹ 62,500 and C) ₹ 70,000  
 (b) A) ₹ 1,30,000; B) ₹ 1,25,000 and C) ₹ 1,40,000  
 (c) A) ₹ 1,30,000; B) Nil and C) ₹ 70,000  
 (d) A) Nil; B) Nil and C) Nil
4. Place of supply for order numbers 1) CA-435, 2) PH-534 & 3) GK-987 is\_\_\_\_\_.
- (a) 1) Bangalore, 2) Hyderabad & 3) Hyderabad  
 (b) 1) Chennai, 2) Hyderabad & 3) Hyderabad  
 (c) 1) Chennai, 2) Chennai & 3) Delhi  
 (d) 1) Bangalore, 2) Chennai & 3) Hyderabad
5. Time of supply for order numbers 1) CA-234, 2) UV-777 & 3) XE-001 is\_\_\_\_\_.
- (a) 1) 5<sup>th</sup> July, 2) 20<sup>th</sup> July & 3) 23<sup>rd</sup> July  
 (b) 1) 5<sup>th</sup> July, 2) 22<sup>nd</sup> July & 3) 23<sup>rd</sup> July  
 (c) 1) 3<sup>rd</sup> July, 2) 20<sup>th</sup> July & 3) 23<sup>rd</sup> July  
 (d) 1) 5<sup>th</sup> July, 2) 20<sup>th</sup> July & 3) 23<sup>rd</sup> July

### Case scenario-II

Dhairya Ltd., a supplier registered under GST in Gujarat, is exclusively engaged in manufacturing textile products. It has opted to pay tax under composition scheme under sub-sections (1) and (2) of section 10 of the CGST Act, 2017.

The following information is available in relation to Dhairya Ltd. for the current financial year:

1. Total turnover during the quarter April-June is ₹ 1,50,00,000.

2. The option to pay tax under composition scheme lapses from 1<sup>st</sup> July and it switches to regular scheme as a monthly return filer.
3. Tax paid on inputs lying in stock as on 30<sup>th</sup> June (Invoice dated 4<sup>th</sup> May) - CGST ₹ 10,000 and SGST ₹ 10,000.
4. Tax paid on inputs contained in semi-finished goods held in stock as on 30<sup>th</sup> June- CGST ₹ 5,000 and SGST ₹ 5,000 (Invoice was dated 31<sup>st</sup> December of preceding financial year).
5. A machinery was purchased on 15<sup>th</sup> March of preceding financial year for ₹ 10,00,000 (taxable value). Applicable GST rate was 12%.
6. On 10<sup>th</sup> August, Dhairya Ltd. sold goods worth ₹ 2,40,000 to Ahmedabad Municipal Corporation (AMC). The contract with AMC was to supply only goods and not any services.
7. On 15<sup>th</sup> August, Dhairya Ltd. sold goods worth ₹ 10,00,000 to Fishing Department of Gujarat Government.
8. Apart from the information provided above, sales and purchases worth ₹ 15,00,000 and ₹ 12,00,000 respectively were also reported during the period of July to February.
9. During the month of March of the current financial year, Dhairya Ltd. manufactured 2,500 meters of fabric (Sales value of the fabric is ₹ 200 per meter). ITC pertaining to such output was CGST - ₹ 27,500 and SGST - ₹ 27,500. Mr. Kunj exported 1,500 meters of fabric under bond and sold the balance 1,000 meters of fabric in Gujarat, India.

Notes:

1. There is no other outward or inward supply transaction apart from the aforesaid transactions, in the relevant period.
2. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled.
2. It is also assumed that due date for any return required to be filed by the taxpayer has not been extended by the Government.
3. Rate of GST applicable on goods manufactured by Dhairya Ltd. under regular scheme is 12%. GST rate applicable on inward supplies is also 12% unless otherwise specified.
4. All the purchases and sales are made within the State except the export sales.
5. All the amounts given above are exclusive of taxes, wherever applicable.

**Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 6 to 9 below, carrying 2 marks each:-**

6. The net GST payable in cash by Dhairya Ltd. during the period from April to February is\_\_\_\_\_.
- (a) ₹ 1,76,800

- (b) ₹ 3,46,800
  - (c) ₹ 18,26,800
  - (d) ₹ 18,46,800
7. Input Tax Credit (ITC) available to Dhairya Ltd. during the period from April to February is\_\_\_\_\_.
- (a) ₹ 2,72,000
  - (b) ₹ 2,82,000
  - (c) ₹ 2,88,000
  - (d) ₹ 3,02,000
8. The amount of GST refund available to Dhairya Ltd. for the month of March in the current financial year is \_\_\_\_\_.
- (a) ₹ 24,000
  - (b) ₹ 33,000
  - (c) ₹ 31,000
  - (d) ₹ 22,000
9. Assuming that goods have been sold by Dhairya Ltd. to Fishing Department of Gujarat Government for a value of ₹ 1,00,000 instead of ₹ 10,00,000, net GST payable by Dhairya Ltd. in cash during the period from July to February will be \_\_\_\_\_.
- (a) ₹ 15,88,800
  - (b) ₹ 83,800
  - (c) ₹ 82,800
  - (d) nil

### Case Scenario-III

Mr. Bindusaar, a practicing Chartered Accountant, based in Hyderabad, is registered under GST in the State of Telangana.

He undertook following transactions/activities during the current financial year:

- (1) He provided consultancy services to Edward Tours, a UK based entity engaged in the business of e-commerce in the field of tour and travels, having its office at UK. Edward Tours paid a sum of Euro 95,000 to Mr. Bindusaar billed @ 75 per Euro. Mr. Bindusaar made travel to UK several times during the year and incurred Euro 5,000 @ ₹ 75 as incidental expenses (including VAT paid ₹ 10,000) which was ultimately charged from Edward Tours. Edward Tours also paid a sum of EURO 5,000 @ ₹ 75 to Mr. Bindusaar as interest on account of delay in payment of agreed consideration.

Mr. Bindusaar also hired the services of a professional firm based in UK to complete the assignment of providing services to Edward Tours and paid Euro 10,000 @ ₹ 75. This was not recovered from Edward Tours.

- (2) Mr. Bindusaar's taxable earnings for services provided in India for the financial year are ₹ 85,00,000. In addition to this, Mr. Bindusaar also provided return filing services free of charge in the month of July to Indian residents who were economically weaker. Open market value of such services was ₹ 1,40,000.

Further, in July, Mr. Bindusaar also provided financial services to his real brother Mr. Shiv who is working at an IT company and earning handsomely, for ₹ 75,000 (invoice value). However, Mr. Bindusaar offered him 90% discount on the invoice raised to him. Therefore, Mr. Shiv paid ₹ 7,500 only.

Notes: The rates of tax are 9% (CGST), 9% (SGST) and 18% (IGST) on all inward/ outward supplies. All the amounts given above are exclusive of taxes, wherever applicable.

**Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos 10 to 12 below, carrying 2 marks each:-**

10. Compute the value of supply made by Mr. Bindusaar to Edward Tour (in Euros).
  - (a) 120,000
  - (b) 105,000
  - (c) 115,000
  - (d) 125,000
11. Compute aggregate turnover of Mr. Bindusaar for the current financial year.
  - (a) ₹ 1,78,75,000
  - (b) ₹ 1,86,25,000
  - (c) ₹ 1,63,82,500
  - (d) ₹ 1,80,90,000
12. What is value of supply made by Mr. Bindusaar to Mr. Shiv if Mr. Shiv is the son of Mr. Bindusaar and not his brother and supply is made free of cost, other facts remaining the same?
  - (a) ₹ 7,500
  - (b) ₹ 75,000
  - (c) Not a supply since they are related
  - (d) Value cannot be determined
13. Vihaan, a registered person under GST, supplied goods amounting to ₹ 1,18,000 (inclusive of GST, taxable @ 18%) to Trihaan, a registered person under GST on 30<sup>th</sup> September. Trihaan further sold such goods to Eyaan, a consumer who came to his shop on 30<sup>th</sup> October in cash, for ₹ 2,36,000 (inclusive of GST, taxable @ 18%). Vihaan issued a credit note of ₹ 11,800 (₹ 10,000 + ₹ 1800 - GST) for rate difference on 2<sup>nd</sup> November to Trihaan. Thereafter, Trihaan entered a credit note in its books for the same amount

in the name of Eyaan, without intimating him and providing any refund of the sum paid, on 2<sup>nd</sup> November and reduced its output tax liability accordingly.

As per the provisions of GST law, which of the above-mentioned suppliers are allowed to reduce their output tax liability? **(2 Marks)**

- (a) Vihaan
- (b) Trihaan
- (c) Both Vihaan and Trihaan
- (d) Neither Vihaan nor Trihaan, since incidence of tax has been passed on to another person.

14. ABC Ltd. has imported certain goods by air. Certain goods were imported by air. The free on board value of goods is ₹ 100. The cost of transport, loading, unloading and handling charges up to place of importation is ₹ 25. The cost of insurance is ₹ 10. For the purposes of rule 10(2) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, which of the following shall be added to the value of imported goods? **(2 Marks)**

- (a) Cost of transport, loading, unloading and handling charges – ₹ 25; and Cost of insurance - ₹ 10
- (b) Cost of transport, loading, unloading and handling charges – ₹ 25; and Cost of insurance - ₹ 1.125
- (c) Cost of transport, loading, unloading and handling charges – ₹ 20; and Cost of insurance - ₹ 1.125
- (d) Cost of transport, loading, unloading and handling charges – ₹ 20; and Cost of insurance - ₹ 10

15. Priyanka Enterprises imported some goods through vessel from USA in the month of April. The value of goods imported was ₹ 6,50,000.

The date of entry inwards was 21<sup>st</sup> April (basic customs duty on said date was 10%). Further, Priyanka Enterprises filed bill of entry for home consumption on 25<sup>th</sup> April (basic customs duty on said date was 20%). Applicable rate of integrated tax was 12% and social welfare surcharge was 10%. Ignore GST compensation cess and agriculture infrastructure and development cess.

However, before inspection and clearance for home consumption, Priyanka Enterprises found that the goods had been damaged owing to negligence on part of proper officer of customs. The proper officer accepted that due to said damage, the value of the goods has come down to ₹ 4,00,000.

Compute the total customs duty payable in the given case. **(2 Marks)**

- (a) ₹ 97,280
- (b) ₹ 2,38,160
- (c) ₹ 1,58,080
- (d) ₹ 1,46,560



## Part-II – 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. Suyogya Pvt. Ltd., registered under GST, is engaged in the manufacture of 5-seater luxury cars at its factories located in the States of Rajasthan, Uttar Pradesh and Gujarat. The company has obtained registration in each of these States.

The company reports the following details for a tax period pertaining to its factory located in Gujarat:

Payments	(₹) (in lakh)	Receipts	(₹) (in lakh)
Raw material	4.50	Sales:	
		- Sales in Gujarat	14
		- Sales in States other than Gujarat	6
		- Exports under Letter of Undertaking (LUT)	10
Consumables [Intra-State]	0.75	Income from services provided to Gujarat Government administration	2.50
General insurance of cars manufactured	2.50		
Security services	0.70		
Works contract services	1.60		
Rent paid	1.00		
Membership of Automobile Association [registered in the State of Gujarat]	0.10		
Bank charges	0.10		
Audit fee	0.50		

All the above amounts are exclusive of all kinds of taxes, wherever applicable. However, the applicable taxes have also been paid by the company.

Further, following additional details are furnished by the company in respect of the payments and receipts reported by it:

- (i) Raw materials worth ₹ 0.50 lakh, were purchased from a composition dealer located in Gujarat. Remaining raw material has been procured from various registered vendors located in Maharashtra.



- (ii) Rent has been paid for the factory building located in Gujarat to its owner registered in Gujarat.
- (iii) General insurance services have been received from Deep Insurance Company Ltd., registered in Gujarat.
- (iv) Payment for security services (services provided by way of supply of security personnel) for the tax period has been made to ABC Ltd., a company located in Gujarat and not registered under GST.
- (v) Works contract services, availed from Nirma Builders, Gujarat, have been used by the company for construction of a foundation on which machinery to be used in the production process is to be mounted permanently.
- (vi) Bank charges are towards various services availed by the company during a month with regard to its current account maintained with Best Bank, registered in Gujarat. The bank issued a consolidated tax invoice for all such services at the end of the month containing the details of tax charged, description of services, total value, GSTIN of the bank and Suyogya Pvt. Ltd.
- (vii) Audit fee is paid to a firm of Chartered Accountants - M/s Chandio & Associates (registered in Tamil Nadu with an aggregate turnover of ₹ 6 crores in the preceding financial year) - for conducting the statutory audit of the company in the preceding financial year. The firm raises an e-invoice without IRN (Invoice Reference Number) for said services.
- (ix) Services provided to Gujarat Government administration are under a Health Training programme. 51% of the total expenditure for said programme is borne by Gujarat Government.
- (x) The opening balance of ITC with the company for the tax period is:  
 CGST - ₹ 0.50 lakh  
 SGST - ₹ 0.26 lakh  
 IGST - ₹ 0.35 lakh

Compute the total ITC available with Suyogya Pvt. Ltd. for the given tax period and net GST payable [CGST, SGST or IGST, as the case may be] from Electronic Cash Ledger by Suyogya Pvt. Ltd. for the given tax period.

Notes-

- (A) CGST, SGST & IGST rates on all inward and outward supplies are 9%, 9% and 18% respectively.
- (B) The necessary conditions for availing ITC have been complied with by Suyogya Pvt. Ltd., wherever applicable.

You are required to make suitable assumptions, wherever necessary.

**(14 Marks)**

2. (a) Determine the place of supply for the following independent cases:
- ABC Events, an event management company at Kolkata, organises two award functions for Bhushan Jewellers of Chennai (registered in Chennai, Tamil Nadu) at New Delhi and in Singapore.
  - Happy Planners (Bengaluru, Karnataka) is hired by Dr. Tripti (unregistered person based in Kochi, Kerala) to plan and organise her daughter's wedding at Mumbai, Maharashtra.
  - Dhirubhai Pvt. Ltd. (New Delhi) imports a machine from Japan for being installed in its factory at New Delhi. To install such machine, Dhirubhai Pvt. Ltd. takes the service of an engineer who comes to India from Japan for this specific installation.
  - Mr. Gogoi, an architect (New Delhi), provides professional services to Mr. George of New York in relation to his immovable property located in Pune.
  - Mr. Jigar, an unregistered person based in New Delhi hires a yacht from a company based in London, UK for 20 days.

**(5 X 2=10 Marks)**

- (b) Nilgiri Ltd., located in India, purchased a machine from Peter Inc., USA. The cost of the machine at the factory of Peter Inc. is US\$ 10,000. Transport charges from the factory of Peter Inc. to the port for shipment is US \$ 500. Handling charges paid for loading the machine in the ship are US \$ 50. The freight charges from US port to India are US \$ 1,000. The buying commission paid by Nilgiri Ltd. is US \$ 50. However, actual insurance charges paid are not ascertainable. You are required to determine the assessable value of the machine provided the exchange rate to be considered is 1\$ = ₹ 70.

**(4 Marks)**

3. (a) Shell Dune Limited is engaged in manufacture of taxable electronic goods. Its two manufacturing units are located in Mumbai and Nagpur and both the units are registered under GST in the State of Maharashtra. The company has another manufacturing unit in Bangalore, registered under GST in the State of Karnataka and a retail showroom located in Ahmedabad, registered under GST in the State of Gujarat.

The company has provided the following details of the activities/ transactions undertaken in a tax period:

S. No.	Particulars	Mumbai unit (₹)	Nagpur unit (₹)
(i)	Sale of taxable goods	12,50,000	13,50,000
(ii)	Interest received on fixed deposits with a nationalised bank		1,08,000

(iii)	Sale of securities [Such securities were purchased for ₹ 2,75,000]	4,50,000	
(iv)	Sale of agricultural land in the vicinity of the manufacturing plant [Stamp duty was paid on ₹ 1,85,00,000]		1,85,00,000
(v)	Sale of old factory building which was not used anymore [Stamp duty was paid on ₹ 75,00,000]	90,00,000	
(vi)	Transfer of actionable claims (other than casinos, online gaming and horse racing)		2,00,000

With the help of above information, you are required to determine the value of exempt supply under GST law as provided by Nagpur unit and Mumbai unit for the purpose of apportionment of ITC under section 17(3) of the CGST Act, 2017. **(5 Marks)**

(b) Determine whether GST is payable in respect of each of the following independent services provided by the registered persons:

- (1) Service provided to a Governmental Authority by way of slum improvement and upgradation.
- (2) Fees of ₹ 20,000 charged from office staff for in-house personality development course conducted by Banarsidas College providing education as part of a curriculum for obtaining a qualification recognised by Indian law.
- (3) Bus fees of ₹ 2,000 per month collected from students by RPSD College providing education as part of a curriculum for obtaining a qualification recognised by Indian law.
- (4) Housekeeping service provided by M/s. Buff Ltd. to Bloom Montessori school, a play school, for cleaning its playground and classrooms for ₹ 30,000 per month.
- (5) Grow Buds supplied 'Gratitude Jot', an online educational journal, to students of UKG class of Seeds Montessori School for ₹ 2,000.

**(5 Marks)**

(c) Sun & Moon Ltd. imported a consignment from U.S.A (by sea). The value of consignment was ₹ 8,00,000 and total duty payable was ₹ 2,00,000.

Company filed bill of entry for home consumption but before inspection and clearance for home consumption it found that the goods were damaged.

On filing a representation to the Customs Department, proper officer refused the claim for abatement because goods were already unloaded. The proper officer is in agreement with the claim that the value of goods has come down to only ₹ 2,00,000.

Examine the issue with reference to the relevant statutory provisions and calculate the amount of total duty payable: **(4 Marks)**

4. (a) Upasana Export House is engaged in manufacturing the taxable goods in the State of Haryana. It participates in Global Trade Fair to be held in United States of America in the month of January. It intends to send 100 units of goods manufactured by it to USA for display in the said exhibition.

Upasana Export House is of the view that the activity of sending the goods out of India for exhibition is a zero-rated supply under GST law. However, its tax advisor does not concur with its view. Examine whether the view of Upasana Export House is correct.

Assuming that Upasana Export House could not sell any goods at the exhibition and brings back entire 100 units to India (i) in February, (ii) in August,

Discuss the requirement to issue invoice, if any, in each of the above independent cases.

Would your answer be different if Upasana Export House sells an aggregate of 85 units of the taxable goods in USA exhibition on different dates in January and remaining 15 units are brought back on 31<sup>st</sup> January. The tax advisor of Upasana Export House advises it that the export of 85 units qualify as zero-rated supply and it should apply for refund of the unutilized ITC in respect of the same. Examine the technical veracity of the tax advisor's advice. **(5 Marks)**

- (b) A2S Manufacturing unit had moulds delivered directly to a job worker from the supplier for making certain precision parts for use in the factory of A2S Manufacturing unit. As per agreement, the moulds were to remain with the job worker as long as work was being sent to him.

After four years a departmental audit team that visited the job worker noticed the moulds and traced it to A2S Manufacturing unit. GST was demanded from A2S Manufacturing unit for taking ITC without receiving the moulds and furthermore for not bringing the moulds back after 3 years of delivery to the job worker.

How should they respond to this? **(5 Marks)**

- (c) Mr. Prashank, an Indian businessman, went to Dubai to explore new business avenues on 5<sup>th</sup> of May, 2023. Mr. Kishu, his 22 years eldest son also joined him in Australia after 4 months. They returned to India on 15.05.2024 and brought used personal effects worth ₹ 1,20,000, 2 music systems each worth ₹ 50,000. In addition to this, Mr. Prashank also brought the gold chain worth ₹ 48,000 [10 gram] and the gold bracelet brought by his son is worth ₹ 96,000 [20 grams].

With reference to Baggage Rules, 2016, determine whether Mr. Prashank and his son will be required to pay any customs duty?

**(4 Marks)**

5. (a) Robecco Private Limited, registered under GST in the State of Uttar Pradesh, instructed Sambhav Transporters (Uttar Pradesh) to deliver certain taxable goods to ABC Enterprises in Uttar Pradesh on 10<sup>th</sup> January. The value of the goods is ₹ 6,80,000 which are chargeable to CGST & SGST@ 9% each. While the goods were in transit, proper officer intercepted the goods and the truck in which goods were being transported, under section 68 of the CGST Act, 2017. However, the driver of the truck failed to tender any document in relation to the goods in movement. The proper officer, after conducting the physical verification of the goods and the truck, decided to seize the goods and the truck and issued a notice under section 129(3) of the CGST Act, 2017 specifying the penalty payable (under CGST and SGST each) by Robecco Private Limited after giving it an opportunity of being heard.

You are required to determine the amount of penalty payable (under CGST and SGST each) if Robecco Private Limited does not come forward for the payment of penalty. Further, discuss the suitable course of action for Sambhav Transporters if it intends to get its truck released.

**(5 Marks)**

- (b) ABC & Associates LLP (ABC), a firm of Chartered Accountants, was empanelled with the Commissioner of GST for appointment as Special Auditor under section 66 of the CGST Act, 2017. X Ltd., a registered person under GST, was selected by the Office of the Commissioner for special audit under section 66 of the CGST Act, 2017 for a financial year on account of irregularities noticed during scrutiny of returns. ABC was nominated by the Office of the Commissioner for special audit of X Ltd.

The input tax credit claim by X Ltd. i.e. the auditee, under Form GST ITC- 01, was certified by one of the associate firms of ABC in favour of X Ltd. Such certificate was based on incorrect facts and against the eligibility criteria for input tax credit as per section 18 of the CGST Act, 2017. However, if ABC fails to exercise due diligence and the certificate is taken on record by ABC as an audit procedure and is relied upon at the time of finalization of audit report and submission of findings. Discuss briefly, what will be its implications under GST law?

**(5 Marks)**

- (c) Briefly explain whether interest is paid to the applicant in case of delayed refund by Customs Authorities? If yes, also explain the period for computation of interest?

**(4 Marks)**

6. (a) Discuss briefly the relevant provisions of the CGST Act, 2017 regarding questions for which advance ruling can be sought. **(6 Marks)**
- (b) When shall the particulars relating to any proceedings or prosecution be published under GST laws? Discuss the relevant provisions. **(4 Marks)**

**OR**

- (b) Briefly answer the following questions with reference to the provisions of rectification of mistakes/errors apparent on the face of record by any authority, under section 161 of the CGST Act, 2017?
- (i) Who can rectify the errors apparent on the face of record?
- (ii) What type of mistakes or errors can be rectified? **(4 Marks)**
- (c) State any four benefits available to the status holders under the Foreign Trade Policy 2023. **(4 Marks)**