

Roll No

Total No. of Questions – 7

Total No. of Printed Pages – 15

Time Allowed – 3 Hours

Maximum Marks – 100

GPS

Answers to 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 valued.

Question No. 1 is compulsory.

Candidates are also required to answer any **five** questions from the remaining **six** questions.

In case, any candidate answers extra question(s)/sub-question(s) over and above the required number, then only the requisite number of questions first answered in the answer book shall be valued and subsequent extra question(s) answered shall be ignored.

Working notes should form part of the respective answers.

Wherever necessary, suitable assumptions may be made and disclosed by way of a note.

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1. (a) Vayu Ltd. provides you the following particulars relating to goods supplied by it to Agni Ltd.

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Particulars	₹
List price of the goods (Exclusive of Taxes and discounts)	76,000
Special packing at the request of customer to be charged to the customer.	5,000
Duty levied by local authority on the sale of such goods.	4,000
CGST and SGST charged in invoice.	14,400
Subsidy received from a NGO (The price of ₹ 76,000 given above is after considering the subsidy)	5,000

Vayu Ltd. offers 3% discount of the list price of the goods which is recorded in the invoice for the goods.

Determine the value of taxable supplies made by Vayu Ltd.

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(3)

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- (b) Mr. NY, a supplier of goods pays GST under regular scheme. Mr. NY is not eligible for any threshold exemption. He has made the following outward taxable supplies during September 2017 :

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Particulars	Rate of Tax			Amount (₹)
	CGST	SGST	IGST	
Intra State Supply of goods				
Product A	6%	6%	–	8,00,000
Product B	9%	9%	–	2,00,000
Inter State Supply of goods				
Product A	–	–	12%	3,00,000
Product B	–	–	18%	1,50,000

He has also furnished the following information in respect of supplies received by him during September 2017 :

Particulars	Rate of Tax			Amount (₹)
	CGST	SGST	IGST	
Intra State Supply of goods				
Product A	6%	6%	–	2,00,000
Product B	9%	9%	–	1,00,000
Inter State Supply of goods				
Product A	–	–	12%	1,50,000
Product B	–	–	18%	80,000

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(4)

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Mr. NY has following ITCs with him at the beginning of September 2017

Particulars	₹
CGST	40,000
SGST	28,000
IGST	44,600

Note :

- (i) Both inward and outward supplies are exclusive of taxes, wherever applicable.
- (ii) All the conditions necessary for availing the ITC have been fulfilled.

Compute net GST payable by Mr. NY for the Month of September 2017.

Make suitable assumptions wherever required.

Determine the Place of supply for the following independent cases $2\frac{1}{2} \times 2 = 5$
under the IGST Act, 2017

- (i) Grand Gala Events, an event management company at Kolkata, organises two award functions for Kalyan Jewellers of Chennai (Registered in Chennai) at New Delhi and at Singapur.
- (ii) Perfect Planners (Bengaluru) is hired by Dr. Kelvin (unregistered person based in Kochi) to plan and organise his son's wedding at Mumbai.

Will your answer be different if the wedding is to take place at Malaysia ?

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(5)

GPS

Marks

- (d) Maxiline Corp, not being an EOU, had imported technical instruments from the USA for ₹ 180 lakhs on payment of duty. It had to subsequently send back the same to the supplier for repairs. The supplier has agreed to provide discount of 50% of the fair cost of repairs, resulting in Maxiline Corp paying USD 15,000.

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Following further particulars are available

Particulars	Date	Rate of Duty	Inter Bank Exchange Rate	Rate Notified by CBEC
Bill of Entry	21-02-2018	20%	60	62
Aircraft arrival	26-02-2018	15%	62	61

IGST u/s 3(7) of Customs Tariff Act, 1975 – 12%.

	Outwards (Amt. in ₹)	Inwards (Amt. in ₹)
Insurance	20,000	30,000
Air Freight	80,000	1,20,000

Other details available on records

- Goods are reimported within 3 years of despatch for repairs.
- Both the exported and imported goods are the same.
- There is no change in the ownership of technical instruments.
- The export is not from a public/private warehouse and repairs does not amount to manufacture.

Determine total duty payable with appropriate notes for your computation.

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P.T.O.

(6)

GPS**Marks**

2. (a) Soren Enterprises is in possession of certain capital goods and purchases more of them as per the following particulars **7**

Particulars	Input tax on Capital Goods (₹)	Status of its use
Capital Goods A	12,000	Exclusively used for non-business purpose.
Capital Goods B	24,000	Exclusively used for zero-rated supplies.
Capital Goods C	60,000	Used both for taxable and exempt supplies.
Capital goods D (has been exclusively used for 2 years for exempted supplies)	1,20,000	Now there is change in use, both for taxable and exempt supplies.
Capital goods E (has been exclusively used for 3 years for taxable supplies)	1,80,000	Now there is change in use, both for taxable and exempt supplies.

Useful life of all the above capital goods is considered as 5 years.

Apportion the input tax credit of capital goods, while being informed that aggregate value of exempt supplies during the tax period being ₹ 6,00,000 and total turnover during the tax period being ₹ 12,00,000.

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(7)

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- (b) Sarva Sugam Charitable Trust, a trust registered under section 12AA of the Income Tax Act, 1961 provides the following information relating to supply of its services for the month of August 2017

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Renting of residential dwelling for use as a residence	18,00,000
Renting of rooms for Pilgrims (Charges per day ₹ 1,200)	8,00,000
Renting of rooms for devotees (Charges per day ₹ 750)	6,00,000
Renting of Kalyana Mandapam (Charges per day ₹ 15,000)	12,00,000
Renting of Halls and open space (Charges per day ₹ 7,500)	10,75,000
Renting of Shops for business (Charges per month ₹ 9,500)	4,75,000
Renting of Shops for business (Charges per month ₹ 12,000)	7,50,000
Compute the total taxable value of supply for the month of August 2017 assuming that the above amounts are exclusive of GST.	

- (c) Moris Lal has imported goods from Germany and is finally re-assessed u/s 18(2) of the Customs Act, 1962 for two such consignments. Particulars are as follows :

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Date of provisional assessment	12 th December, 2017
Date of final re-assessment	2 nd February, 2018
Duty Demand for 1 st consignment	₹ 1,80,000
Refund for the 2 nd consignment	₹ 4,20,000
Date of refund made by the department	28 th April, 2018
Date of payment of duty demanded	5 th February, 2018

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Determine the interest payable and receivable, if any, by Moris Lal on the final re-assessment of the two consignments, with suitable notes thereon.

3. (a) Raman Row, a registered supplier under GST in Mumbai, is directed by Nero Enterprises, Kolkata to deliver goods valued at ₹ 12,00,000 to Fabricana of Aurangabad in Maharashtra. Raman Row makes out an invoice at 9% tax rate under CGST and SGST respectively (scheduled rate) and delivers it locally in Maharashtra.

Discuss and comment on the above levy of tax and determine the tax liability of goods in the above circumstances.

- (b) Determine the value of supply and the GST liability, to be collected and paid by the owner, with the following particulars

	₹
Rent on the commercial building	18,00,000
Maintenance charges collected by local society from the owner and reimbursed by the tenant	2,50,000
Owner intends to charge GST on refundable advance, as GST is applicable on advance	6,00,000
Municipal taxes paid by the owner	3,00,000

GST rates applicable on renting of business premises is as follows

CGST 9%

SGST 9%

Provide suitable explanations where required.

- (c) Sarani Weavers at Mumbai is an input service distributor and intends to distribute input tax credit u/s 20 of the CGST Act, 2017, for the month of March 2018. The following are the details available for such distribution :

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Branch	Turnover of the last quarter (Amt. in ₹)	ITC specifically applicable to the branch (Amt. in ₹)
Ganganagar Branch	10,00,000	IGST – ₹ 12,000 CGST – ₹ 3,000 SGST – ₹ 3,000
Madhugiri Branch	5,00,000	Nil
Kosala Branch	15,00,000	Nil
Mumbai HO	20,00,000	IGST – ₹ 1,50,000 CGST – ₹ 15,000 SGST – ₹ 15,000

Inputs/Input services used commonly by all branches against which ITC available is :

CGST – ₹ 60,000

SGST – ₹ 60,000

IGST – ₹ 1,20,000

ITC (IGST) of December 2017, ₹ 10,000 which was inadvertently left out, whether same can be considered for distribution in March, 2018.

Madhugiri branch uses inputs to manufacture exempted products.

All branches are outside Maharashtra. Turnover excludes duties & taxes payable to Central and State Government.

Determine the input tax distribution.

- (d) Gregory Peg of foreign origin has come on travel visa, to tour in India.

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He carries with him, as part of baggage, the following :

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

Determine customs duty payable, if the effective rate of customs duty is 25.75% inclusive of education cess and secondary & higher education cess, with short explanations where required.

4. (a) Rajesh Dynamics, having its head office in Chennai, carries on the following activities with respective turnovers in a Financial Year :

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	₹
Supply of petrol at Chennai	18,00,000
Value of inward supplies on which tax is payable on reverse charge basis	9,00,000
Supply of transformer oil at Chennai	2,00,000
Value of branch transfer from Chennai to Bengaluru without payment of consideration	1,50,000
Value of taxable supplies at Manipur branch	11,50,000

It argues that it does not have taxable turnover crossing threshold limit of ₹ 20,00,000 either at Chennai or Bengaluru and including turnover at Manipur branch. It believes that the determination of aggregate turnover is not required for the purpose of obtaining registration but it is required for determining composition levy.

Decide based on the above facts

- (i) The aggregate turnover of Rajesh Dynamics.
- (ii) All conditions that fulfil the requirements for registration under CGST Act, 2017 in the given circumstances.

(b) Determine the time of supply from the following particulars :

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8 th September	Community hall booked for a marriage, Sum agreed ₹ 1,20,000, Advance ₹ 20,000 recorded in the books of account.
10 th September	Advance amount credited in bank account.
2 nd November	Marriage held in the Community hall.
18 th December	Invoice issued for ₹ 1,20,000 indicating the balance of ₹ 1,00,000 payable.
22 nd December	Balance ₹ 1,00,000 recorded in the books of account.
24 th December	Payment ₹ 1,00,000 credited to the bank account

(c) Explain briefly the provisions regarding mandatory pre-deposit to be made before filing an appeal before Appellate Authority and Tribunal as per CGST Act, 2017.

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- (d) Jigsaw Puzzle has imported inputs, having CIF value of ₹ 25,00,000 without payment of duty under Advance Authorisation. Inputs are supplied free of cost valued at ₹ 5,00,000 to meet eventualities of quality issues arising during manufacture.

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On manufacturing, the products are supplied to units in SEZ and realisation is in Indian currency.

Jigsaw Puzzle wants to know whether it is entitled to Advance Authorisation scheme and what should be the minimum value addition. And you are required to compute FOR value of supplies to SEZ.

Jigsaw Puzzle has manufactured and supplied goods to international organisations in India from imported inputs for their office use. The payment for such supply is received in Indian currency. Can Advance Authorization be denied as payment has not been received in free foreign exchange ?

5. (a) (i) Checkernot has self-assessed tax liability under IGST Act, 2017, as ₹ 80,000. He fails to pay the tax within 30 days from the due date of payment of such tax.

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Determine the interest and penalty payable by him explaining the provisions of law, with the following particulars available from his records :

Date of collection of tax : 18th December, 2017

Date of payment of tax : 26th February, 2018

No Show Cause Notice (SCN) has been issued to him so far, while he intends to discharge his liability even before it is issued to him, on the assumption that no penalty is leviable on him as payment is made before issue of SCN.

- (ii) Mangeshwar, registered under the CGST Act, 2017 has made a breach in payment of tax amounting to ₹ 6,100. Assessing authority has imposed a penalty as per law applicable to the breach. Invoking the provisions of Section 126, Mangeshwar argues that it is a minor breach and therefore no penalty is imposable. 4

In another instance, Mangeshwar has omitted certain details in documentation that is not easily rectifiable. This has occurred due to the gross negligence of his accountant and he makes a plea that he was unaware of it and therefore no penalty should be levied.

Mangeshwar voluntarily writes accepting a major procedural lapse from his side and requests the officer to condone the lapse as the loss caused to the revenue was not significant.

Also a lapse on the part of Mangeshwar has no specific penalty provision under the CGST Act, 2017. He is very confident that no penalty should be levied without a specific provision under the Act.

Discuss, what action may be taken by the Assessing Authority under law for each of the above breaches.

- ✓ (b) Discuss briefly provisions of CGST Act, 2017 regarding questions for which advance ruling can be sought. 4
- (c) Discuss briefly the similarities and differences between Advance Authorisation and DFIA (Duty Free Import Authorisation) Schemes. 4

6. (a) Write a brief note on Summary Assessment in certain special cases as per Section 64 of the CGST Act, 2017. 4
- ✓ (b) Discuss the provisions relating to issue of an invoice/document in the following circumstances : 4
- (i) Advance payment is received against a supply, but subsequently no supplies are made.
 - (ii) Goods are sent on approval for sale or return and are removed before the supply takes place.
 - (iii) Malcolm provides continuous supply of services to his client, where the due date of payment for such services is not ascertainable. No advance has been received in this behalf.
- (c) Discuss briefly the procedure for issue of Adjudication order under Section 74(9) & (11) and the time limit for passing Adjudication order under Section 74(10) of the CGST Act, 2017. 4
- (d) Infinity Corporation has imported goods and the following particulars are available for claiming duty drawback under Section 74 & 75 of Customs Act, 1962 : 4

(a) Custom duty has been paid on goods imported for use and have been out of customs control for 14 months.	₹ 14,00,000
(b) Raghuveer exports manufactured goods having FOB value of ₹ 86,000.	
Rate of duty drawback on FOB value of exports	40%
Market value of the export product	₹ 96,000

Determine duty drawback with explanations in the above cases.

7. Answer any **FOUR** from the following : **4×4**
=16
- | | |
|---|----------|
| (a) Mr. Bala, a registered person at Chennai wants to maintain proper accounts and records relating to GST. Advise him about the accounts and other records to be maintained under Section 35(1) of the CGST Act, 2017. | 4 |
| (b) What are cognizable and non-cognizable offences under Section 132 of CGST Act, 2017 ? | 4 |
| (c) Explain the safeguards provided under Section 69 of CGST Act, 2017, to a person who is placed under arrest ? | 4 |
| (d) Chaintop Industries has challenged the imposition of anti-dumping duty retrospectively from the date prior to the date of imposition of anti-dumping duty on the grounds that it is unconstitutional. Explain whether it would succeed in its contention. | 4 |
| (e) Monotype traders wants to enter into export contracts with various customers. It intends to understand the currency denomination while entering into contracts with them and seeks your advice as to how it should ensure compliance. | 4 |