

Roll No.

Total No. of Questions – 6

Total No. of Printed Pages – 15

Time Allowed – 3 Hours

Maximum Marks – 100

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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 **four** questions out of the remaining **five** 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.

- (i) Working notes should form part of the answers.
- (ii) Wherever necessary suitable assumptions may be made and disclosed by way of note.
- (iii) All questions should be answered on the basis of the position of GST law as amended up to 31.10.2017 and customs law as amended by the Finance Act, 2017 and notifications and circulars issued till 31.10.2017.
- (iv) The GST rates for goods and services mentioned in various questions are hypothetical and may not necessarily be the actual rates leviable on those goods and services. The rates of customs duty are also hypothetical and may not necessarily be the actual rates. Further, GST compensation cess should be ignored in all the questions, wherever applicable.

NJKP

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1. (a) Laxmi Ltd. of Bhopal (Madhya Pradesh) is a supplier of machinery. **10**

Laxmi Ltd. has supplied machinery to PQR Enterprises in Indore (Madhya Pradesh) on 1st October, 2017. The invoice for supply has been issued on 1st October, 2017. Thus, the time of supply of machinery is 1st October, 2017. Laxmi Ltd. and PQR Enterprises are not related. Following information is provided.

Basic price of machinery excluding all taxes but including design and engineering charges of ₹ 10,000 and loading charges of ₹ 20,000 – ₹ 20,00,000.

Laxmi Ltd. provides 2 years free warranty for the machinery. Laxmi Ltd. also provides an extended one year warranty on payment of additional charges of ₹ 1,00,000. PQR Enterprises opted for one year warranty.

Laxmi Ltd. has collected consultancy charges in relation to pre-installation planning of ₹ 10,000 and freight and insurance charges from place of removal to buyer's premises of ₹ 20,000.

Laxmi Ltd. received subsidy of ₹ 50,000 from Central Government for supplying the machinery to backward region since receiver was located in a backward region. Laxmi Ltd. also received ₹ 50,000 from the joint venture partner of PQR Enterprises for making timely supply of machinery to the recipient.

(3)

NJKP

Marks

A cash discount of 1% on the basic price of the machinery is offered at the time of supply, if PQR Enterprises agrees to make the payment within 30 days of the receipt of the machinery at his premises. Discount @ 1% was given to PQR Enterprises as it agreed to make the payment within 30 days.

The machinery attracts CGST and SGST @ 18 %(9%+9%) and IGST @18 %.

Compute the CGST and SGST or IGST payable, as the case may be on the machinery.

- (b) Mr. Murthy, an unregistered person and a resident of Pune, hires the services of M/s Sun Ltd. an event management company registered in Delhi, for organising of the new product launch in Bengaluru. **5**
- (i) Determine the place of supply of services provided by M/s Sun Ltd.
- (ii) What would your answer be in case the product launch takes place in Bangkok ?
- (iii) What would your answer be in case Mr. Murthy is a registered person and product launches take place in Bengaluru and Bangkok ?

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- (c) Niketan Industries Ltd., New Delhi has imported certain machine (by sea) from Japan. **5**

From the following particulars furnished by it, work out the assessable value of the machine and customs duty payable by Niketan Industries Ltd. with appropriate working notes

S. No.	Particulars	Amount in (₹)
(i)	CIF value of the machine	4,23,379.69
(ii)	Freight incurred from port of entry to Inland Container depot.	25,000.00
(iii)	Unloading and handling charges paid at the place of importation	40,000.00
(iv)	Designing charges paid to Consultancy firm in Mumbai	10,000.00

1	Basic Customs Duty leviable	10% advalorem
2	Integrated tax leviable under section 3(7) of the Customs Tariff Act, 1975 is 18%.	
3	Note: Ignore GST Compensation Cess.	

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2. (a) Mr. Nagarjun, a registered supplier of Chennai, has received the following amounts in respect of the activities undertaken by him during the month ended on 30th September, 2017 : 7

S. No.	Particulars	Amount (₹)
(i)	Amount charged for service provided to recognized sports body as selector of national team.	50,000
(ii)	Commission received as an insurance agent from insurance company.	65,000
(iii)	Amount charged as business correspondent for the services provided to the urban branch of a nationalized bank with respect to savings bank accounts.	15,000
(iv)	Service to foreign diplomatic mission located in India.	28,000
(v)	Funeral services.	30,000

He received the services from unregistered goods transport agency for his business activities relating to serial numbers (i) to (iii) above and paid freight of ₹ 45,000 (his aggregate turnover of previous year was ₹ 9,90,000).

Note : All the transactions stated above are intra state transactions and also are exclusive of GST.

You are required to calculate gross value of taxable supply on which GST is to be paid by Mr. Nagarjun for the month of September, 2017.

Working notes should form part of your answer.

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- (b) Prem is running a consulting firm and also a fancy store, registered under the same PAN number. Turnover of the fancy store is ₹ 65,00,000 and receipt of consultancy firm is ₹ 10,00,000 in the preceding financial year. 3

You are required to provide answers with supporting explanatory note for each answer to the following questions :

- (i) Is Prem eligible for composition scheme under CGST Act ?
- (ii) Whether it is possible for Prem to opt for composition scheme only for fancy store ?
- (iii) If Prem is running a restaurant with turnover of ₹ 65,00,000 instead of consultancy firm as well as a fancy store, would he be eligible for composition scheme ?

- (c) Mr. Mahendra Goyal, an interior decorator provides professional services to Mr. Harish Jain in relation to two of his immovable properties. 5

Determine the place of supply in the transactions below as per provisions of GST law in the following independent situations :

Case	Location of Mr. Mahendra Goyal	Location of Mr. Harish Jain	Properties situated at
I	Delhi	Mumbai	New York (USA)
II	Delhi	New York	Paris (France)

Explain the relevant provisions of law to support your conclusions.

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- (d) What is the warehousing period for capital goods and other goods in the case of EOUs, EHTPs, STPs, and for warehouses where manufacture/ other operations are permitted under section 65 of Customs Act, 1962 and also in other cases ? Can the warehousing period be extended ? 5

3. (a) ABC Company Ltd. of Bengaluru is a manufacturer and registered supplier of machine. It has provided the following details for the month of November, 2017. 10

Details of GST paid on inward supplies during the month :

Items	GST Paid (₹)
Health Insurance of factory employees.	20,000
Raw materials for which invoice has been received and GST has also been paid for full amount but only 50% of material has been received, remaining 50% will be received in next month.	18,000
Work contractor's service used for installation of plant and machinery.	12,000
Purchase of manufacturing machine directly sent to job worker's premises under challan.	50,000
Purchase of car used by director for the business meetings only.	25,000
Outdoor catering service availed for business meetings.	8,000

(8)

NJKP

Marks

ABC Company Ltd. also provides service of hiring of machines along with man power for operation. As per trade practice machines are always hired out along with operators and also operators are supplied only when machines are hired out.

Receipts on outward supply (exclusive of GST) for the month of November, 2017 are as follows

Items	GST Paid (₹)
Hiring receipts for machine	5,25,000
Service charges for supply of man power operators	2,35,000

Assume all the transactions are interstate and the rates of IGST to be as under :

- (i) Sale of machine 5%
- (ii) Service of hiring of machine 12%
- (iii) Supply of man power operator service 18%

Compute the amount of Input Tax Credit available and also the net GST payable for the month of November 2017 by giving necessary explanations for treatment of various items.

Note : Opening balance of input tax credit is Nil.

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(9)

NJKP

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- (b) Kamal & Co. manufactures customized products at its unit situated in Rajasthan. Cost of production for Kamal & Co. for 1000 products is ₹ 20,00,000. These products require further processing before sale, and for this purpose products are transferred from its Rajasthan unit to its another unit in Punjab. The Punjab unit, apart from processing its own products, engages in processing of similar products of other persons who supply the products of the same kind and quality and thereafter sells these processed products to wholesalers. There are no other factories in the neighbouring area which are engaged in the same business as that of its Punjab unit. Products of the same kind and quality are supplied in lots of 1000 each time by another manufacturer located in Punjab. The price of such goods is ₹ 19,00,000. Determine the value of 1000 products supplied by Kamal & Co. to its Punjab unit as per the provisions of CGST Act, 2017. **5**
- (c) A consignment containing many items was imported by Suraj. On examination of the goods, it was found that he had made misdeclaration in respect of all the items. You are required to indicate the penalty imposable under section 112 of Customs Act, 1962 in each case given below. Values are exclusive of Customs duties. Basic Customs Duty is 10%, Education cesses – 3%. No other tax is attracted on these imports. **5**
- (1) Non- prohibited dutiable goods and the value is misdeclared as ₹ 10,00,000 instead of ₹ 11,50,000.

NJKP

P.T.O.

- (2) In the case at serial number 1, if the importer pays duty and interest within 30 days from the date of communication of the order.
- (3) The value of imported goods declared is higher than the value determined by Customs. Value determined by Customs is ₹ 15,00,000 but the value declared by Suraj is ₹ 20,00,000.
- (4) The value of prohibited goods was declared as 20,00,000 and the actual value determined was ₹ 15,00,000.
- (5) The imported goods are prohibited goods, which were declared by Suraj to be some other goods valued ₹ 15,00,000 and actual value is found to be ₹ 20,00,000.

4. (a) Pari & Sons is an unregistered dealer. On 10th August, 2017 aggregate turnover of Pari & Sons exceeded ₹ 20,00,000. The firm applied for registration on 27th August, 2017 and was granted the registration certificate on 1st September, 2017. 5

Under CGST Rules, 2017, you are required to advise Pari & Sons as to what is the effective date of registration in its case. It has also sought your advice regarding period for issuance of revised tax invoices.

- (b) With the help of the following information in the case of M/s Jayant Enterprises, Jaipur (Rajasthan) for the year 2017-18, determine the aggregate turnover for the purpose of registration under CGST Act, 2017. 5

S. No.	Particulars	Amount (₹)
i.	Sale of diesel on which Sale Tax (VAT) is levied by Rajasthan Government.	1,00,000
ii.	Supply of goods, after completion of job work, from the place of Jayant Enterprises directly by principal.	3,00,000
iii.	Export supply to England (U.K).	5,00,000
iv.	Supply to its own additional place of business in Rajasthan.	5,00,000
v.	Outward supply on which GST is to be paid by recipient under reverse charge.	1,00,000

All the above amounts are excluding GST.

You are required to provide reasons for treatment of various items given above.

- (c) XY Company received an adjudication order passed by the Assistant Commissioner of Central Tax on 01-11-2017 under section 73 of the CGST Act, 2017 wherein it was decided as follows :

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Particulars

CGST and SGST due (Total) ₹ 6,00,000

Interest @ 18% p.a. for number of delayed days

Penalty ₹ 60,000

The assessee filed an appeal before the Appellate Authority on 26-11-2017.

Case I

How much the company has to pay as pre-deposit of duty under section 107 (6) of the CGST Act, 2017 ?

Case II

Whether your answer would be different if the assessee appeals only against part of the demanded amount say ₹ 4,00,000 and admits the balance liability of tax amounting to ₹ 2,00,000 arising from the said order.

- (d) An importer imported a consignment weighing 10,000 tons. The importer filed a bill of entry for home consumption. The Assistant Commissioner passed an order for clearance of goods and applicable duty was paid by them. The importer thereafter found, on taking delivery from the Port Trust Authorities i.e., before the clearance for home consumption, that only 9,000 tonnes of inputs were available at the docks although he had paid duty for the entire 10,000 tonnes.

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There was no short-landing of cargo. The short- delivery of 10,000 tonnes was also substantiated by the Port Trust Authorities, who gave a weighment certificate to the importer.

On filing a representation to the Customs Department, the importer has been directed in writing to justify as to which provision of the Customs Act, 1962 governs his claim for remission of duty on the 10,000 tonnes not delivered by the Port Trust. Examine the issue and tender your opinion as per law, giving reasons.

5. (a) Examine the implications as regards the bailability and quantum of punishment on prosecution, in respect of the following cases pertaining to the period December, 2017 under CGST Act, 2017; 5
- (i) 'X' collects ₹ 245 lakh as tax from its clients and deposits ₹ 241 lakh with the Central Government. It is found that he has falsified financial records and has not maintained proper records.
- (ii) 'Y' collects ₹ 550 lakh as tax from its clients but deposits only ₹ 30 lakh with the Central Government.

What will be the implications with regard to punishment on prosecution of 'X' and 'Y' for the offences ? What would be the position, if 'X' and 'Y' repeat the offences ?

It may be assumed that offences are proved in the court.

(14)

NJKP

Marks

- (b) From the details given below determine the maximum amount of fine in lieu of confiscation leviable under section 130 of CGST, Act, 2017 on : **5**

- (i) The goods liable for confiscation.
(ii) On the conveyance used for carriage of such goods.

Details are as follows

Cost of the goods for owner before GST	15,00,000
Market Value of Goods	20,00,000
GST on such goods	3,60,000

You are also required to explain relevant legal provisions in brief.

- (c) Mr. Anand Kumar, a regular taxpayer, filed his return of outward supply (GSTR-1) for the month of August, 2017 before the due date, Later on, in February, 2018 he discovered error in the GSTR-1 return of August 2017 already filed and wants to revise it. **5**

You are required to advise him as to the future course of action to be taken by him according to statutory provisions.

- (d) Indicate five benefits available to “Status Holders” under the reward scheme of Foreign Trade Policy 2015-2020. There is no need to define the term “status holder”. **5**

6. (a) Explain in what cases, assessment order passed by proper officer may be withdrawn under CGST Act, 2017 ? **5**

- (b) State five cases where refundable amount shall be paid to the applicant, instated of being credited to Consumer Welfare Fund under CGST Act, 2017. **5**

NJKP

(15)

NJKP

Marks

- (c) Explain the provisions relating to liability for GST in case of company in liquidation (section 88 of the CGST Act, 2017). **5**

Candidates are required to answer either 6(d) or 6(e) and not both.

- (d) State the salient features of “Deferred duty payment facility” with reference to Customs Act, 1962 and rules thereunder. **5**

OR

- (e) An importer filed a bill of entry after 60 days of filing Import General Manifest. The Deputy Commissioner of Customs imposed a penalty of ₹ 10,000 for late filing of the bill of entry. Since, importer wanted to clear the goods urgently, he paid the penalty. Can penalty be imposed for late filing of the bill of entry ? Can bill of entry be filed in advance ? Examine the issue regarding period available for filing bill of entry in the light of relevant statutory provisions ? **5**

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