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Roll No.

Total No. of Printed Pages – 15

Total No. of Questions – 6

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 type 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 Questions in Part I are to be marked on the OMR answer sheet given on the cover page of descriptive answer book only. Answers to questions in Part II are to be written on the same descriptive type 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 type 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 (a) Part I of the question paper containing MCQs, and (b) the answer book in respect of descriptive type 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 above-mentioned items.
11. Candidate found copying or receiving or giving any help or defying instructions of the invigilators 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 the questions should be answered on the basis of position of (i) GST law as amended by significant Notifications/Circulars issued till 30th April, 2021 and (ii) CGST Act, 2017 and IGST Act, 2017 as amended by the Finance Act, 2020 and the Finance (No. 2) Act, 2019 which have become effective upto 30th April, 2021 and (iii) Customs law as amended by the Finance Act, 2020, including significant Notifications and Circulars issued and other legislative amendments made upto 30th April, 2021.

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PART – II

1. M/s. Priya Infra Ltd, a registered supplier under GST, in the State of Kerala, **14**
is engaged in the construction business. It provides the following
informations for the month of April, 2021 :

S. No.	Particulars	Amount (₹)
	OUTWARD SUPPLY :	
(i)	Transferred one load of Tiles to its branch in Cochin, Kerala from its head office at Trivandrum, Kerala. Both places are under the same GST Registration.	7,50,000
(ii)	Provided pure labour services of construction of single commercial unit not forming part of any complex to a customer in Bengaluru (Karnataka).	15,00,000
(iii)	Supplies a consignment of Marbles in the territorial waters to Classic Builders LLP. The said territorial waters is located at a distance of 11 nautical miles from the baseline of State of Kerala and 12 nautical miles from the baseline of State of Tamilnadu.	6,00,000
(iv)	Received an advance for future supplies of goods and services from a customer in Kerala (of which 70% related to future supplies of services).	7,00,000

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(v)	Computer used for business purpose was given free of cost to an unrelated person based in Kerala, computer was purchased 2 years back at cost of ₹ 88,500 (including GST of ₹ 13,500,) having a W.D.V. of ₹ 71,685 as on date of sale. Open market value is ₹ 55,000 (excluding GST). No ITC taken on this computer at the time of purchase.	Nil
	INWARD SUPPLY:	
(i)	Availed services of an arbitral tribunal in Trivandrum, Kerala to settle a case relating to RERA Act.	7,00,000
(ii)	Purchased construction materials from Baahu Steels Ltd. registered in the State of Andhra Pradesh	15,00,000
(iii)	Purchased a new truck from a dealer in Cochin, Kerala for transport of materials	12,00,000

The company provided the following additional informations :

- (i) Paid ₹ 6,00,000 as remuneration to an Independent Director based at Cochin during the month
- (ii) The company claimed depreciation under Income Tax Act, 1961 on new truck purchased including all applicable taxes.

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- (iii) E-invoice portal shows Baahu Steels Ltd.'s GST number has been enabled for e-invoicing. However, the supplier did not issued e-invoice/tax invoice with Invoice reference number (IRN). The invoice was reflected in GSTR-2A.
- (iv) Turnover of M/s. Priya Infra Ltd. for the previous financial year was ₹ 180 Lakh.
- (v) Rate of CGST, SGST and IGST are 9%, 9% and 18% respectively for both inward and outward supply of goods and services.
- (vi) All the amount given above are exclusive of taxes wherever applicable.

From the information given above, you are required to compute the minimum net GST liability payable in cash (CGST, SGST or IGST as the case may be) for the month of April, 2021. Reason for treatment needs to be given.

2. (a) Jupiter Chemicals Ltd. (JC) is a manufacturer of industrial chemicals and having its factory at Haridwar, Uttarakhand and registered under GST. It has its subsidiary company, Angel Traders Pvt. Ltd. (AT) with holding of 75% of its shares capital. AT is engaged in trading of chemicals manufactured by JC in north India and registered under GST in Delhi at warehouse address. JC has also appointed a

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consignment agent Popular Distributors (PD) in Chennai and catering the southern India market. JC has also setup a state of art research and development centre along with laboratory near the Haridwar factory and undertakes testing and development services for chemicals from outside customers across the country. Following informations are available for the month of April, 2021 of JC Haridwar :

S. No.	Particulars	Amount (₹)
(i)	JC supplies the chemicals to PD Chennai during the month. (The PD sold the above said goods to the unrelated wholesalers in the state of Tamilnadu and Andhra Pradesh for ₹ 60,00,000 during the same month). Open market value ₹ 55,00,000	45,00,000
(ii)	JC supplied chemicals to AT during the month. (The AT further sold the said chemicals to unrelated retailers in Delhi for ₹ 42,00,000/- and AT is not eligible for full input tax credit) Open Market value ₹ 38,00,000	30,00,000
(iii)	JC exports chemicals to South Africa with payment of IGST and consideration for the same was received in convertible foreign exchange.	28,00,000
(iv)	JC provided Inter-State supply of testing services to various customers during the month	8,50,000

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(v)	Supply of Chemical to one of its customer in Mumbai who required the chemical to be tested before dispatch and subject to test report coming according to his parameters. Testing was successful and testing charges of ₹ 50,000 charged extra.	6,50,000 (excluding testing charges)
(vi)	Supply of chemical at subsidized rate for research and development activity not related to the business of JC to an unrelated charitable association in Haridwar, Uttarakhand. Open Market Value of the chemical is ₹ 6,50,000.	5,00,000

Assume rate of GST on Chemicals @ IGST 12%, CGST 6% and SGST 6%, and on testing and development services @ IGST 18%, CGST 9% and SGST 9%.

You are required to determine the taxable value (most beneficial) and GST liability (IGST, CGST and SGST separately) of Jupiter Chemicals (JC) Haridwar for the month of April, 2021.

- (b) PPR Engineering, a manufacturer of tools and spares of Punjab, imports a CNC machine from USA. Contracted CIF price for import was US \$ 15,500. Due to fluctuation of price of machine in international market, price of the machine was re-negotiated after placing the order and finally the machine was agreed to be imported at US\$ 14,000 CIF. Actual Freight paid was US \$ 3000 and Insurance cost was US \$ 1800. Other informations are given below:

- (i) Cost of inspection carried out by foreign supplier on his own account was US\$ 300, and the same was neither required under terms of contract nor for making the goods ready for shipment.

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(ii) Commission payable to local agent of the exporter US \$ 184.
(It is not a buying commission)

(iii) Date of Bill of Entry presentation is 25th February, 2021. On this date rate of BCD-10%, Rate of exchange notified by CBIC for 1 US \$ - ₹ 73, RBI Rate- ₹ 71.

(iv) Date of arrival of aircraft at customs station is 5th March, 2021. On this date rate of BCD-15%, Rate of exchange notified by CBIC-1 US \$ - ₹ 74, RBI Rate - ₹ 72.

You are required to compute the assessable value and calculate Basic Customs duty payable by PPR Engineering.

3. (a) A2X Services Limited, registered under GST, is engaged in providing various services to various educational institutions. The company provides the following informations in respect of services provided during the month of April 2021 : 5

S. No.	Description of Services provided
(i)	Transportation of Students & Staff of 'Love All', a deemed University
(ii)	Catering Services provided to 'Rank CBSE School'

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(iii)	Security services provided to 'Win CBSE School', for its annual sports day held at SAI Sports complex owned by Government of India
(iv)	Supply of online periodical science journal to 'Merit CBSE' school for its higher secondary students
(v)	Services, in relation to Placement of students, to 'SKILL', a Government recognized vocational training college

Comment on the taxability or otherwise of the above transactions under GST law. Also state the correct legal provisions for the same.

(b) Determine the Place of Supply in respect of the following independent instances under the provisions of IGST Act, 2017: **4**

(i) Miss Poorva, an interior design consultant having office at Chennai (Tamilnadu), provided professional services to Mr Nihil, who resides in Dubai, for his two immovable properties under single contract, one property is outside India at Singapore and another at Surat (Gujarat).

(ii) United Traders, having a registered place of business at Bengaluru (Karnataka) imported instruments used in COVID treatment from London (UK) through Vizag (Andhra Pradesh) Port.

Note : Your answer should also include relevant provisions of law.

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(c)¹¹ Supreme Car Decors imported car music systems and GPS devices⁽⁶⁾ 5^A

from Germany. The importer submits the following issues for your consideration,

(i) 7 music systems were pilfered before unloading and before the proper officer has made an order for clearance for home

consumption.

(ii) 10 GPS Devices were pilfered after unloading and before the proper officer has made an order for clearance for home consumption.

(iii) 30 music systems were damaged after unloading and examination for assessment by the customs authorities but before actual home clearance.

Supreme Car Decors seeks your expert advice with reason regarding the impact on Customs duty on the said goods.

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4. (a) Jai and Co, a registered supplier under GST, engaged in weaving yarn into fabrics has provided the following informations : 5

Nature of Various Intra-State supplies during April, 2021	Value of Supply (Excluding GST) (₹)
Outward Supply of Fabrics (Tax rate of CGST and SGST @ 2.5% each)	30,00,000
Inward supply of Rayon Yarn (Tax rate of CGST and SGST @ 6% each)	24,00,000
Inward supply of services for processing the yarn (Tax rate of CGST and SGST @ 2.5% each)	4,00,000
Inward supply of Machineries for weaving the processed yarn into Fabrics (Tax rate of CGST and SGST @ 9% each)	45,00,000
The concern has not provided any other supply other than the outward supply referred above.	
ITC in respect of all types of inward supply as given above was claimed in the relevant GSTR 3B as well reflected in GSTR 2A.	
Other applicable conditions for claiming the refund are duly complied with.	

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You are required to compute the 'Maximum refund amount' eligible under rule 89(5) of CGST Rules, 2017 for inverted duty structure.

Also provide working notes for your calculation.

Note :- No refund claimed under rule 89(3) or rule 89(4) of the CGST Rules, 2017

- (b) Comment on the liability to get registered under the GST law in the given independent situations for the financial year 2020-21. Your answer should also include relevant provisions of law, notifications or circulars. 4
- (i) Miss Riddhima is exclusively engaged in the export of readymade garments from the state of Rajasthan and her export turnover during the year is ₹ 17 Lakh. Apart from export turnover, she has earned interest on Bank FDR for ₹ 2 Lakh also.
- (ii) Ajanta Enterprises is exclusively engaged in the trading of exempt goods under GST in the state of Haryana and has not taken the GST registration. During the year its turnover from exempt supplies is ₹ 47 Lakh and Ajanta Enterprises also sold old generator for ₹ 1.25 Lakh during the year.
- (iii) Mr. P has presence in two states, one in Haryana and other in Rajasthan. He is registered in the state of Rajasthan even without crossing the threshold limit. His turnover during the year in Rajasthan is ₹ 32 Lakh and in Haryana is ₹ 5 Lakh. Is he mandatory required to get registered in the state of Haryana also ?

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(iv) Mr. John is engaged in the business of buying and selling of shares on his own account from the secondary market and his income from this activity is assessed as business income under the Income Tax Act 1961. During the year his total sales turnover from shares was ₹ 90 Lakh.

(c) With reference to Customs Act, 1962, decide the validity of the following independent cases with proper legal provisions : 5

(i) Apex Rubber Limited is a 100% EOU located in a Special Economic Zone. It imported certain items from China for its production process. Customs officer proposed to impose anti-dumping duty on such imports. The importer contends that no anti-dumping duty can be imposed on imports by a 100% EOU under any circumstances.

(ii) Customs Department proposed to impose anti-dumping duty retrospectively in respect of certain items. Importer's association claimed that anti-dumping duty cannot be levied with retrospective effect under any circumstances.

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5. (a) M/s Fly-by-Night Traders, a taxable person, issued an invoice on 15th April, 2021 involving Input Tax Credit (ITC) of ₹ 25 Lakh to M/s Runaway Traders, who utilised the same. No supply of goods was involved in this transaction between the two traders. Fly-by-Night Traders conducted this transaction at the instance of its tax consultant who was not a qualified professional. 5

Explain the relevant provision in brief and determine the amount of penalty leviable under CGST Act, 2017, if any, on the persons involved in respect of the above referred transaction.

- (b) In the Month of March, 2021, during the course of departmental GST Audit u/s 65 of the CGST Act, 2017 of Always Right Private Limited, audit team observed that input tax credit has been claimed by the company which is blocked u/s 17(5) of the CGST Act, 2017. Audit memo was given to the company for submission of reply on the audit observations mentioned in the memo. Company submitted its reply contending that the said credit is not blocked u/s 17(5) and has been rightly claimed. Department was not satisfied with the reply submitted by the company. Audit team served a show cause notice u/s 74 of the CGST Act, 2017 and transferred the matter to adjudicating officer and also started recovery process u/s 78 and 79 of the CGST Act, 2017 for recovery of the input tax credit wrongly availed. 4

You are required to comment whether action of the department to recover the amount is justified with the reference to the legal provisions of the GST law.

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(c) Mr. X, an Indian resident, returns to India on 10.04.2021 after visiting **5**

France for 3 months. On his return to India he brings with him following articles :

(i) Used personal effects like clothes etc., valued at ₹ 1,75,000

(ii) Music system valued ₹ 1,20,000

(iii) Jewellery valued ₹ 1,30,000 measuring 20 grams brought by Mr. 'X'

(iv) Laptop worth ₹ 1,20,000

(v) Wine 1 litre worth ₹ 6,000

(vi) Mobile phone worth ₹ 50,000

You are required to determine the taxable value of Baggage with reference to the Baggage Rules, 2016.

6. (a) Candidates are required to attempt either part (i) or part (ii)

(i) List any four records required to be maintained by an agent under **4**
the CGST Rules, 2017.

OR

(ii) List any four exceptions when theory of unjust enrichment is not **4**
applicable under the provisions of CGST Act, 2017.

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- (b) Director General of Anti-Profitteering Authority determines that a registered person has not passed-on the benefits of reduction of GST tax rates. List the different possible orders that may be passed by the said authority for the above finding. **5**
- (c) List the goods (with specific conditions) which are not entitled to drawback under section 74 of the Customs Act, 1962. **5**
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