

LJQ2

Roll No.

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 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 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 (a) Part I of the question paper containing MCQs, and (b) the answer book in respect of 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 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, 2023 and (ii) CGST Act, 2017 and IGST Act, 2017 as amended by the Finance Act, 2022 and which have become effective upto 30th April, 2023 and (iii) Customs law as amended by the Finance Act, 2022 including significant Notifications and Circulars issued and other legislative amendments made upto 30th April, 2023.

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PART – II

1. Poorva Impex Ltd., a registered entity under GST in the State of Maharashtra is engaged in various supplies. It provides the following information for the month of April, 2023 :

<u>S. No.</u>	<u>Particulars</u>	<u>Amount</u> (₹)
	<u>OUTWARD SUPPLY :</u>	
(i)	Sold a future derivative contract at NSE (National Stock Exchange) which was due in the month of April. Said contract had no delivery option.	20,00,000
(ii)	Supplied 50 LED TVs at Hyderabad to the State Government of Telangana. 50 Stands mandatory required to mount the TV on wall were also supplied along with LED TV.	8,00,000 72,000
(iii)	Provided intra-State service as a Direct Selling Agent (D.S.A.) to Uday Small Finance Bank Limited for their retail loan products	5,00,000
(iv)	Passenger transportation service provided to general public by Company Owned Ferries between two islands in the state of Maharashtra. Purpose was to facilitate daily commutation of local people.	1,20,000

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(v)	Supplied goods to its Agent in the state of Bihar. Open market value of the said goods were ₹ 3,00,000. The said Agent is supplying goods of like kind and quality to his unrelated customer at ₹ 3,20,000.	—
	<u>INWARD SUPPLY:</u>	
(i)	Availed HR training services for all its employees from “BE HUMBAL”, a HR Firm registered under GST in Maharashtra. Training was held at a Resort in the State of Himachal Pradesh.	4,00,000
(ii)	Purchased processing machines from David & Co., registered under GST in the State of Gujarat. Machines were bought in “as is where is condition” at Gujarat to produce taxable items.	1,00,000
(iii)	Purchased five two-wheelers with engine capacity of 25 CC for usage of its employees both within and outside factory producing taxable products. Supply was made at Mumbai by a GST registered dealer at Tamil Nadu.	2,00,000

The company provided the following additional information:

- (i) Company wishes to choose the most beneficial option in respect of supply to Agent and branch transfer.

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- (ii) Company transferred certain taxable items to its Kerala branch for distributing as free samples on the occasion of inauguration of said branch which yet to be registered. Value declared in the invoice for transfer was ₹ 2.50 Lakh whereas open market value of the same was ₹ 3.00 Lakh. Kerala branch yet not sold such kind of goods to any of the customer.
- (iii) Rate of CGST, SGST and IGST are 9%, 9% and 18% respectively for both inward and outward supply of goods and services, except TV Stand for which the rate is 14%, 14% and 28% respectively.
- (iv) All the amount given above is exclusive of taxes wherever applicable.
- (v) Except specially written, all the inward supplies were used for taxable as well as exempted outward supplies.
- (vi) No inward supply used for non-business purpose.
- (vii) There was no opening balance of any ITC.

From the information given above, you are required to compute the eligible Input Tax Credit (ITC) available and net minimum GST liability payable in cash (CGST, SGST or IGST as the case may be) for the month of April, 2023 for the Poorva Impex Ltd., Maharashtra.

Reason for the treatment of each item needs to be given.

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2. (a) Mr. Dev, is registered as a regular tax payer under GST in Mumbai, Maharashtra since July 2017. His turnover for the previous year 2022-23 was ₹ 2 crore. He provides the following information pertaining to various outward supplies made by him during the month of April, 2023:

Sr. No.	Particulars	Amount Charged (₹)
(i)	Services by way of storage/warehousing of raw vegetable fibers such as cotton, flex, jute etc.	4,00,000
(ii)	Supply of online mathematics journal to 'Model CBSE' school for its secondary and higher secondary students.	2,00,000
(iii)	Made a composite supply of goods and services to M/s. Maharashtra State Development Corporation, a Government Entity by way of activity in relation to function entrusted to a Panchayat under article 243G of the constitution. Value of supply of goods constituted 23% of value of said composite supply.	1,40,000
(iv)	Sitting fees received for attending a committee meeting as an independent director from M/s. ABC Ltd.	1,00,000
(v)	Insurance Commission received as an insurance agent from XYZ Insurance Company Ltd, registered under GST.	1,25,000

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(vi)	Services provided to the State Government of Maharashtra for conducting fitness training program for its employees. 71% of the total expenditure incurred for the program was borne by the State Government.	1,50,000
(vii)	Honorarium received by Mr. Dev to appear as a guest anchor on a TV channel.	25,000
(viii)	Amount received for services provided to a recognized sports body as a commentator.	6,00,000

From the above information, compute the total GST liability of Mr. Dev (on which tax to be paid by Mr. Dev) for the month of April, 2023.

All the supplies are intra-state supply and the rate of taxes are CGST and SGST @ 9% each. All the figures given are exclusive of GST, wherever applicable.

Reason for the treatment of each item needs to be given.

- (b) Milly Ltd. imported a machinery from USA. The machine reaches Delhi Airport first and then from there it is transshipped to Dehradun Airport. 5

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From the following details furnished, compute the assessable value (up to nearest one ₹) for the purpose of customs duty payment :

S. No.	Particulars	Amount
(i)	Price of the machine	US \$ 15,000
(ii)	Air freight	US \$ 4,000
(iii)	License fee relating to imported goods payable by the buyer as a condition of sale	15% of price of machine
(iv)	Drawing charges paid to an architect in India	₹ 25,000
(v)	Commission (not buying commission) paid by the buyer to agent of exporter in USA	US \$ 250

Other details for computing the assessable value are as under :

- (i) Insurance charges paid in India – Not ascertainable.
- (ii) Material supplied in USA by the buyer free of cost valued at ₹ 75,000.
- (iii) Importer paid transshipment charges from Delhi Airport to Dehradun Airport ₹ 1,00,000.
- (iv) Importer paid ₹ 20,000 towards demurrage charges for delay in transport of the machine from Delhi Airport.
- (v) Exchange rate to be considered: ₹ 70 per US \$.

Note : Price of the machine (US \$ 15,000) given at serial number (i) above are excluding of any of the amount given thereafter.

Working notes should form part of your answer.

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3. (a) Anuja checked-in at the 'Welcome Tourist Lodge' in Madurai on 15th July, 2022. The room rent for the same was ₹ 900 per day for a single room. She checked-out on the 17th of July, 2022 and payment in respect to the same was received by the lodge via cheque at the time of checking-out and entered in the books on the same date. The lodge decide to issue her the invoice on the same date when the amount gets credited in its bank account. 5

The rate of tax on hotel rooms which was exempted upto ₹ 1,000 earlier, became chargeable to tax from 18th July, 2022.

Under the GST law, determine the time of supply and taxability, of the service of lodging in the hands of 'Welcome Tourist Lodge' if the cheque gets credited into the bank account of 'Welcome Tourist Lodge' on the 20th of July, 2022.

Note : Assume that all the days covered in the above case are working days.

- (b) (i) Rhea is a person registered under GST in Mysore, Karnataka. She transports certain goods by air to Mrs. Iyer who resides in Florida, USA. The air cargo operator by which goods are transported is registered in Bengaluru, Karnataka. 2

Determine the place of supply of such transport/courier service under GST law with supporting notes related to legal provisions.

- (ii) 'Mischievous Muppets' – a Kindergarten school in Pune, Maharashtra, has given the contract of catering service to a Pune based agency viz. 'Toddlers Catering Agency', registered under GST. 2

Whether the said catering service provided by 'Toddlers Catering Agency' in the school is taxable under GST law ?

Answer with supporting notes related to legal provisions.

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- (c) 'Mezo Blanca', a firm registered in India imported certain items of machine equipment from China. These items were bestowed with subsidy by the Chinese Government for production as well as export to other countries. Considering the impact of subsidized articles being imported into India, Indian Government imposed Countervailing Duty u/s 9 of the Customs Tariff Act, 1975 on the import of said items. Mezo Blanca managed to import the same product with altering the name of the product. But Proper Officer imposed Countervailing Duty on the said import. 5

Mezo Blanca seeks your advice on the correctness of the action of the Proper Officer and also want to know the different ways of circumvention which are prohibited.

4. (a) Mr. Broker wrongly availed ₹ 1,25,000 Input Tax Credit (CGST + SGST) at the time of furnishing return under section 39 of the CGST Act, 2017 for the month of October 2022. This ITC was not utilised against the output liability for the month of October, 2022. Mr. Broker utilised ITC of ₹ 75,000 from the above wrongly availed ITC of ₹ 1,25,000 against output liability for the month of November, 2022. Mr. Broker paid the amount of ITC wrongly utilised ₹ 75,000 on 10th March, 2023 and reversed the unutilized amount ₹ 50,000 on 20th March 2023. Calculate the total interest payable (CGST + SGST) rounded off to nearest one ₹ under GST law if, Mr. Broker files : 5
- (i) Form GSTR-3B for the month of October on 18th November, 2022.
- (ii) Form GSTR-3B for the month of November on 25th December, 2022.

Note : Assume there is no extension of due date of filing of form GSTR-3B and no other transactions during the year 2022-23.

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- (b) M/s. Cute and Co., a registered person under GST, filed an appeal with respect to denial of Input Tax Credit (ITC) related to the financial year 2017-18. This appeal was disposed of in favour of Cute and Co. on 30-09-2022. Annual return for the financial year 2017-18 was filed by it on 31-03-2020. Due date for the said return was 07-02-2020. 4

Cute and Co. seeks your advice with reason regarding the time-line upto which they are supposed to retain the books of accounts and other records as per the provisions of CGST Act, 2017.

- (c) M/s. Lotus Auto Weaves imported 10 automated looms from Germany for a price of US \$ 70,000. The price was settled and machines were shipped on 20th March, 2023. Meanwhile, the importer made further negotiations with the exporter for reduction of price of looms based on the leads given by them so far and also in future. Due to this negotiation, the exporter further reduced the price of 10 automated looms to US \$ 60,000 and confirmed the same by email dated 30th March, 2023. However, consignment arrived in India on 29th March, 2023. Proper officer of Customs ignored the revised price confirmed by email and assessed the value based on original price of US \$ 70,000. This was contested by the importer as unfair action by the Department. Importer seeks your advice on the correctness of action of the Proper Officer. Give reason in support of your answer. 5

5. (a) M/s. Root & Co. filed a refund application u/s 54 of the CGST Act, 2017 in respect of export made by them. While declaring the export turnover, their accountant included the exempt turnover also as part of export turnover and claimed excess refund. Amount of Refund excess claimed was ₹ 18,000 each under CGST and SGST. 5

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Determine the total amount of Penalty (CGST + SGST) leviable under GST law in respect of such erroneous refund if :

- (i) Such excess refund claim was proved to be inadvertent and not wilful / fraud.
 - (ii) Such excess refund was on account of wilful misstatement / fraud.
- (b) M/s. Square & Co. received a notice under section 74(1) of the CGST Act, 2017 demanding tax, interest and penalty on the allegation of suppression of facts for the financial year 2018-19. Notice was issued on 24-11-2022. Square & Co. filed an appeal denying any suppression and on which Appellate Authority concluded that the notice is not sustainable under section 74(1), for the reason that the charges have not been established by the Department. Proper Officer deemed the said notice to have been issued u/s 73(1) and re-determined the demand. 4

Square & Co. is of the opinion that the action of Proper Officer is not in line with GST Law. Square & Co. filed its Annual Return for the financial year 2018-19 on 30-11-2019. Assume the due date of such return as 31-12-2019.

Square & Co. seeks your advice with reason on the following issues:

- (i) Whether the Proper Officer can proceed to re-determine the demand u/s 73(1), in respect of notice issued u/s 74(1) ?
- (ii) If yes, whether the fresh demand is valid ?
- (iii) If the above notice issued u/s 74(1) is assumed to have been issued on 24-09-2022, what would be your answer for the validity of demand ?

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(c) You are required to calculate the amount of interest receivable/payable (rounded off to nearest one ₹) in the following independent cases along with brief explanation for the same with reference to the provisions of the Customs Act, 1962 and rules made thereunder :-

(i) Mr. Lolo filed a claim for payment of duty drawback amounting to ₹ 1,80,000 on 25th September 2022. However, amount was received on 30th December 2022. 3

(ii) Mr. Golo was erroneously refunded a sum of ₹ 45,000 in excess of actual drawback on 15th April 2022. Department issued demand notice for recovery of excess amount on 25th July 2022. Thereafter Mr. Golo returned excess erroneous refund amount on 27th Aug 2022. 2

6. (a) List the instances when TDS is not liable to be deducted under the GST law. 4

OR

(a) With reference to provision of section 93(1) of the CGST Act, 2017, discuss the liability to pay tax, interest or penalty on death of a person so liable. 4

(b) Write short note on "Summary Assessment" under section 64 of the CGST Act, 2017. 5

(c) List the rights of the owner of the warehoused goods with reference to the section 64 of the Customs Act, 1962. 5

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