



Time Allowed: 3 Hours

Full Marks: 100

The figures in the margin on the right side indicate full marks.

Where considered necessary, suitable assumptions may be made and clearly indicated in the answer.

Answer to Question No. 1 and 8 are compulsory; Answer any four from Question No. 2, 3, 4, 5, 6 & 7.

SECTION - A

1. (a)

Sl. No.	Answer	Justification
(i)	(d)	Justification: Zero rated supply means any of the following supplies of goods or services or both, namely: a. export of goods or services or both; or b. supply of goods or services or both to a Special Economic Zone (SEZ), developer of SEZ unit.
(ii)	(b)	Justification: Rule 138E blocks the E-Way bill generation facility of a person paying tax under regular scheme if he has not furnished the returns for a consecutive period of 2 tax periods.
(iii)	(a)	Justification: As per sec. 19 of the CGST Act, where the inputs sent for job work are not received back by the principal after completion of job work or otherwise or are not supplied from the place of business of the job worker within one year of being sent out, it shall be deemed that such inputs had been supplied by the principal to the job worker on the day when the said inputs were sent out
(iv)	(a)	Justification: The expenditure or costs incurred by a supplier as a pure agent of the recipient of supply shall be excluded from the value of supply, if all the following conditions are satisfied namely: a. the supplier acts as a pure agent of the recipient of the supply, when he makes the payment to the third party on authorization by such recipient;



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		<p>b. the payment made by the pure agent on behalf of the recipient of supply has been separately indicated in the invoice issued by the pure agent to the recipient of service; and</p> <p>c. the supplies procured by the pure agent from the third party as a pure agent of the recipient of supply are in addition to the services he supplies on his own account.</p>
(v)	(d)	<p>Justification:</p> <p>The operator who collects tax shall furnish a statement, electronically, in Form GSTR-8 within 10 days from the end of the month in terms of Rule 67(1) read with sec. 52(4).</p>
(vi)	(d)	<p>Justification:</p> <p>The following persons are eligible to apply for manufacture and other operations in a bonded warehouse, -</p> <p>i. A person who has been granted a licence for a private warehouse under Section 58 of the Customs Act, in accordance with Private Warehouse Licensing Regulations, 2016.</p> <p>ii. A person can also make a combined application for licence for a warehouse under Section 58, along with permission for undertaking manufacturing or other operations in the warehouse under Section 65 of the Act.</p>
(vii)	(a)	<p>Justification:</p> <p>Permanent transfer or disposal of business assets where input tax credit (ITC) has been availed on such asset shall be treated as supply [Schedule I]</p>
(viii)	(a)	<p>Justification:</p> <p>TDS is to be deducted at the rate of 2 % on payments made to the supplier of taxable goods and/or services, where the total value of such supply, under an individual contract, exceeds ₹ 2,50,000.</p>
(ix)	(a)	<p>Justification:</p> <p>In case of wearing apparel, no duty drawback is available</p>
(x)	(a)	<p>Justification:</p> <p>The place of supply of services shall be the location of the first scheduled point of departure of that conveyance for the journey</p>
(xi)	(a)	<p>Justification:</p> <p>As per sec. 12(4), In case of supply of vouchers by a supplier, the time of supply shall be:</p>



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		If the supply is identifiable at the point at which voucher is issued	The date of issue of voucher
		In all other cases	The date of redemption of voucher
(xii)	(a)	Justification: GSTR 10 is required to be filed within 3 months of the date of cancellation or date of order of cancellation, whichever is later.	

SECTION – B

2. (a) Statement showing value of taxable supply of service and GST liability:

Value of taxable services:				
Tamil Movie		₹ 1,98,000	(₹ 99 × 2000 tickets)	
Hindi Movie		₹ 1,62,000	(₹ 108 × 1500 tickets)	
Particulars	9% CGST	9% SGST	14% CGST	14% SGST
GST liability (₹)	17,820	17,820	22,680	22,680

Working note:

Particulars	Tamil Movie (₹)	Hindi Movie (₹)
Rate per ticket	90	90
Add: Entertainment tax	9	18
Value of taxable supply	99	108
Applicable GST rate	18%	28%

- (b) Computation are as under:

Particulars	Value in ₹
Value of the product	5,00,000
Add: packing charges	6,000
Sub-total	5,06,000
Less: Discount 1% on ₹ 5 lakh	(5,000)
Transaction value	5,01,000
Add: CGST 9%	45,090
Add: SGST 9%	45,090
Invoice price	5,91,180



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Note: Since, the discount was known at the time of supply, and can be linked to this specific invoice, the discount amount can be reduced from the transaction value.

For another discount, Best Cars Ltd will issue a credit note to Sundar Automobiles for ₹ 2,500 + GST (0.5% of ₹ 5,00,000 + GST @ 18% on ₹ 2,500), and the same must be linked to the relevant tax invoice.

Discount given after supply but agreed upon before or at the time of supply and can be specifically linked to relevant invoices, can be deducted from the transaction value.

(c) **Computation of GST payable and amount of refund**

Particulars	Working	Amount
GST payable on DTA clearances	₹ 800 × 1000 units) × 18%	1,44,000
Less: ITC receivable (₹ 10 lakh × ₹ 8 lakh / ₹ 19 lakh)		(4,21,053)
Net GST payable		Nil
Excess credit carried forward is		2,77,053
Refund	₹ 10,00,000 × ₹ 11,00,000 / ₹ 19,00,000	5,78,947

Working note:

Total turnover = Export turnover + Domestic turnover

₹ 19,00,000 = ₹ 11,00,000 + ₹ 8,00,000

₹ 11,00,000 or 1.5 times of ₹ 8,00,000 whichever is less ₹ 11,00,000 or ₹ 12,00,000 whichever is less Therefore, exported turnover is ₹ 11,00,000/-

3. (a) Quarterly Return, Monthly Payment of Taxes (QRMP) Scheme is a scheme to simplify compliance for small taxpayers. Under this scheme, taxpayers having an aggregate turnover at PAN level up to ₹ 5 crore in the preceding financial year can opt for quarterly GSTR-1 (however, for first two months he can file IFF by 13th of the next month) and GSTR-3B filing. Payment can be made in the first 2 months by a simple challan in Form GST PMT-06. For the ease of taxpayers, system has assigned quarterly frequency to small taxpayers automatically.

Taxpoint

- In case the aggregate turnover exceeds ₹ 5 crores during any quarter in the current financial year, the registered person shall not be eligible for the Scheme from the next quarter.

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- The option to avail the QRMP Scheme is GSTIN wise. Therefore, some GSTINs for a PAN might be eligible for the QRMP Scheme, and the remaining GSTINs might not be able to opt for the Scheme.

Details of Outward Supply to be furnished through Invoice Furnishing Facility (IFF)

- The registered persons opting for the Scheme would be required to furnish the details of an outward supply in Form GSTR-1 every quarter. However, the supplier has been given an option to furnish the details monthly. For this, the Invoice furnishing facility ('IFF'), which is optional in nature, has been introduced for furnishing the details of invoices of supply made to registered persons for the first two months of the quarter.
- It is to be noted that the taxpayer can upload a maximum of ₹ 50 lakhs invoices in each of the two months of the quarter. The invoices may be uploaded at once or continuously in IFF from the 1st day of the month till the 13th day of the succeeding month.
- The details uploaded in the IFF shall be duly reflected in the Form GSTR-2A and Form GSTR-2B of the concerned recipient.

Quarterly Filing of Form GSTR-3B

The registered persons opting for the QRMP Scheme would be required to furnish Form GSTR-3B, for each quarter, on or before the 22nd or 24th day of the month succeeding such a quarter for the category 1 States and the category 2 States respectively or such notified date. Any excess payment may either be claimed as a refund after filing Form GSTR-3B of that quarter or may be used for any other purpose in subsequent quarters.

Monthly Payment of Tax

The registered person under the QRMP Scheme would be required to pay the tax due in each of the first 2 months of the quarter by depositing the due amount in Form GST PMT-06. The amount shall be deposited by the 25th day of next month.

The amount deposited by the registered person in the first two months shall be utilized for offsetting the liability furnished in that quarter's Form GSTR-3B.

- (b) Export Promotion Capital Goods Scheme (EPCG) permits exporters to procure capital goods at concessional rate of customs duty/zero customs duty. In return, exporter is under an obligation to fulfil the export obligation. Export obligation means obligation to export product(s) covered by Authorization/permission in terms of quantity or value or both, as may be prescribed/specified by Regional or competent authority.



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Exports to SEZ unit/developer/co-developer will be considered for discharge of export obligation of EPCG Authorization, irrespective of currency.

The license holder can either procure the capital goods (whether used for pre-production, production or postproduction) from global market or domestic market. The capital goods can also be imported in CKD/SKD to be assembled in India.

An EPCG Authorization can also be issued for import of capital goods under Scheme for Project Imports’.

Export obligation for such EPCG Authorizations would be 6 times of duty saved.

Duty Saved Amount	(₹)
Effective duty under Project Imports	xxx
Less: Concessional duty under the EPCG Scheme	(xxx)
Duty Saved amount	xxxx

However, import of capital goods is subject to ‘Actual User’ condition till export obligation is completed. Therefore, based on the above discussion, Neel Pvt. Ltd. can import the capital goods under EPCG Scheme. However, it has to make sure that it does not sell the capital goods till the export obligation is completed.

(c) Benefits to EOU units are enlisted here-in-below:

- Exemption from industrial licensing for manufacture of items reserved for SSI sector.
- Export proceeds will be realized within 9 months.
- Units will be allowed to retain 100% of its export earnings in the EEFC account.
- Unit will not be required to furnish bank guarantee at the time of import or going for job work in DTA, subject to fulfilment of required conditions.
- 100% FDI investment permitted through automatic route like SEZ units.

4. (a) (i) Yes

(ii) Following payment is being made by this Municipality to X:

₹ 10,000 (value of Supply) + ₹ 900 (Central Tax) + ₹ 900 (State Tax).

Value of supply = ₹ 10,000 (₹ 11,800 × 100/118)

Tax to be deducted from payment:

Central Tax = 1% on ₹ 10,000 = ₹ 100;

State Tax = 1% on ₹ 10,000 = ₹ 100

Payment due to X after TDS as per GST provisions: ₹ 11,600/- (i.e. ₹ 11,800 – ₹ 200)



- (b) The drawback on each item and total drawback admissible to the party shall be—

Particulars	FOB value (₹)	Drawback rate	Drawback (₹)
200 pcs pressure stoves made of brass	16,000	4% of FOB	640
200 Kgs. Brass utensils	40,000	₹ 24 per Kg.	4,800
200 kgs. Artware of brass, whose actual weight was 190 Kgs. only - $(₹ 60,000 \times 190/200) \times 17.5\% = ₹ 9975$ - $190 \text{ kgs} \times ₹ 38 = ₹ 7,220$		17.50% of FOB subject to maximum of ₹ 38 per Kg. (₹ 9,975 or ₹ 7,220 whichever is lower)	7,220
Total Drawback admissible (in ₹)			12,660

- (c) Difference between audits under Section 65 and audit under section 66 of the CGST Act, 2017 are as under:

Issue	Audit under Section 65	Audit under Section 66
Purpose	General audit; audit of business transactions, no specific reason to be cited	Nature and complexity of case, interest of revenue, incorrect value of supply or abnormal availment of credit.
Nature of audit	Departmental Audit	Special Audit
Conducted by	Officers of department authorized by Commissioner	Chartered Accountant/Cost Accountant appointed by Commissioner
Frequency	Discretionary	Discretionary
Prior notice to auditee	Yes. 15 days' prior notice is required	No such notice/intimation envisaged
Time for conclusion of audit	3 months, further extension of 6 months allowed	90 days, further extension of 90 days allowed
Audit Report	To be intimated soon on completion of audit to Commissioner	Report to Deputy/Assistant Commissioner



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Intimation to auditee	Conclusion of audit, the proper officer shall, within 30 days, inform the registered person, whose records are audited, about the findings, his rights and obligations and the reasons for such findings.	On conclusion of the special audit, the registered person shall be informed of the findings of the special audit in FORM GST ADT-04.
Audit expenses	Borne by department	Borne by department
Opportunity of being heard	No specific provision	Yes. Where material gathered during audit is to be used in any proceedings against the auditee.
Action based on report	Yes. Adjudicating Authority can issue show cause notice under Sec. 73 or Sec. 74	Yes. Adjudicating Authority can issue show cause notice under Sec. 73 or Sec. 74

5. (a) Few differences between SEZ and EOU are as under

SEZ	EOU
Supply to SEZ is called as export	Supply to EOU is called as deemed export
Supply from DTA to SEZ will attract IGST at zero rate	Supply from DTA to EOU will attract GST as per applicable rate.
Refund of tax does not arise. Since, no tax suffered by SEZ unit	Refund of GST allowed to supplier or receiver (i.e. either one can claim refund of GST)
For SEZ units, export and import customs clearance is achieved within the zone itself.	For the clearance of imported consignments for EOU, there is a Fast Track Clearance Scheme (FTCS).
In SEZ, units can be set up only at the designated sites.	It can be set up anywhere in India. In other words, it is not bound by the location or any boundaries across India.
For SEZ units no specific minimum investment is required.	Only projects having a minimum investment of `1 crore in plant & machinery shall be considered for establishment as EOUs. However, Board of Approvals (BoA) may allow establishment of EOUs with a lower investment criteria also.



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- (b) In the given case, due date for payment of tax on goods cleared on 25.01.20XX under provisional assessment is 20.02.20XX.

In view of the provisions of section 60(4), in the given case, Anna & Sons is liable to pay following interest in respect of 1st consignment:

$$= ₹ 1,80,000 \times 18\% \times 48/365$$

$$= ₹ 4,261 \text{ (rounded off)}$$

Further, section 60(5) of the CGST Act, 2017 stipulates that where the tax liability as per the final assessment is less than in provisional assessment i.e. tax becomes refundable consequent to the order of final assessment, the registered person shall be paid interest at the rate specified under section 56 [6% p.a.] from the date immediately after the expiry of 60 days from the date of receipt of application under section 54(1) till the date of refund of such tax.

However, since in the given case, refund has been made (05.06.20XX) within 60 days from the date of receipt of application of refund (09.04.20XX), interest is not payable to Anna & Sons on tax refunded in respect of 2nd consignment.

6. (a)

Customs duty payable on depreciated value of capital goods (see note 1) = ₹27,60,000

Less: duty already paid at the time of import of capital goods = ₹20,00,000

Difference duty to be paid = ₹ 7,60,000

Interest under section 28AA of the Customs Act, 1962 is ₹ 75,584/- (see note 2)

Note 1:

Particulars	Working in ₹	Duty in ₹
Depreciated value of capital goods (The depreciation shall be allowed from the date when the imported capital goods have come into use for the purpose as specified in the exemption notification upto the date of its clearance.	₹ 2 crore - (₹ 2 crore × 4% × 2 quarters) = ₹ 1.84 crore From 1st January 2023 to 15th June 2023 = 2 quarters	₹ 1.84 crore × 15% = ₹ 27,60,000

Note 2:

Rate of interest is 15% p.a.

Period for which interest payable: from the first day of the month succeeding the month in which the duty ought to have been paid or from the date of such erroneous refund, as the case may be, up to the date of payment of such duty.

From 1st November 2022 to 30th June 2023 = 242 days

Interest = ₹ 7,60,000 × 15% × 242 / 365 = ₹ 75,584/-

**(b) Statement showing ITC to Mr. X under GST**

S. No.	Duties and Taxes	Tax Amount in (₹)	Remarks
1	BCD	Nil	Not allowed as ITC
2	CVD	68,750	Allowed as ITC under CGST
3	Cess	Nil	Not allowed as ITC
4	Spl. CVD	24,893	Allowed as ITC under CGST
5	Service Tax	10,000	Allowed as ITC under CGST
6	SBC	Nil	Not allowed as ITC
7	KKC	Nil	Not allowed as ITC
	Total u/s 140(5)	1,03,643	

7. (a) Mission of GSTN:

- Provide common and shared IT infrastructure and services to the Central and State Governments, Tax Payers and other stakeholders for implementation of the Goods & Services Tax (GST).
- Provide common Registration, Return and Payment services to the Tax payers.
- Partner with other agencies for creating an efficient and user-friendly GST Eco-system.
- Encourage and collaborate with GST Suvidha Providers (GSPs) to roll out GST Applications for providing simplified services to the stakeholders.
- Carry out research, study best practices and provide Training and Consultancy to the Tax authorities and
- other stakeholders.
- Provide efficient Backend Services to the Tax Departments of the Central and State Governments on request.
- Develop Tax Payer Profiling Utility (TPU) for Central and State Tax Administration.
- Assist Tax authorities in improving Tax compliance and transparency of Tax Administration system.
- Deliver any other services of relevance to the Central and State Governments and other stakeholders on request.

**(b) Statement showing customs duty on Baggage:**

Particulars		Value in ₹	Remarks
Travel Souvenir		Nil	Bona fide baggage not taxable
Value for 100 cigarettes	= ₹ 10,000	Nil	Up to 100 cigarettes allowed under GFA.
Less: GFA.	= ₹ 10,000		
Taxable goods	= Nil		
Cartridges of firearms		20,000	Up to 50 cartridges of fire allowed under GFA.
Value for 50 cartridges	= ₹ 25,000		
Less: GFA.	= ₹ 5,000		
Other articles carried on in person		1,50,000	Dutiable Goods
Total Taxable goods		1,70,000	
Duty on Baggage 38.5%		65,450	
20 cigarettes at ₹ 100 each		2,000	100% Taxable
Firearm (₹ 1,00,000 – ₹ 50,000)		50,000	100% Taxable
Cartridges exceeds 50		25,000	100% Taxable
Taxable value of goods and tax thereon		77,000	

Note:

1. General Free Allowance (GFA) for tourists of foreign origin, excluding infants is ₹ 15,000/-
2. Firearms, cartridges of firearms exceeding 50 and cigarettes exceeding 100 sticks are not chargeable to rate applicable to baggage [Notification No. 26/2016-Cus., dated 31.03.2016]. These items are charged @ 100% applicable to baggage under Heading 9803 of the Customs Tariff.

(c) A person, who is engaged in a profession abroad, or is transferring his residence to India can bring, used household items as below:

Passengers who have stayed abroad	GFA for personal household items upto ₹
3-6 months	₹ 60,000
6-12 months	₹ 1,00,000
1-2 years	₹ 2,00,000
Above 2 years	₹ 5,00,000

In the given case, Jagirdar brings the used household articles worth ₹1,24,200 which is free of duty. He is not liable to pay any duty. He can bring upto ₹2,00,000/- without payment of duty.



SECTION – C

8. (a) Computation of assessable value and customs duty

Particular	Amount (UK P)
Price of machine	8,000
Add: Design and development charges	500
Total	8,500
	Amount in ₹
Total in rupees @ ₹ 100 per pound	8,50,000
Add: Local agency commission [(2% of 8,000 UK pounds) × ₹ 100]	16,000
FOB value as per Customs	8,66,000
Add: Air freight (₹ 8,66,000 × 20%)	1,73,200
Add: Insurance @ 1.125% of customs FOB	9,743
CIF Value / Assessable value	10,48,943
Add: Basic custom duty @ 10% [A]	1,04,894
Add: Social Welfare Surcharge @ 10% on ₹ 1,04,894 [B]	10,489
Value for computing IGST	11,64,326
Add: Integrated tax @ 18% [C]	2,09,579
Total duty & integrated tax payable [A + B + C]	3,24,962

(b)

Particulars	Value (₹)	CGST (₹)	SGST (₹)	IGST (₹)	Working note
Laptop with bag	55,000	Nil	Nil	9,900	It is composite supply. Principal supply is laptop. Hence, GST applicable for Laptop is also applicable to bag. [₹ 55,000 × 18%]
Kits	5,00,000	70,000	70,000	Nil	It is mixed supply. Higher rate is applicable.
Chairs and coolers on hire basis	3,30,000	19,800	19,800	Nil	Hiring of chairs and coolers along with transportation is composite supply. Hence, entire supply will attract @12% GST.
Interest collected from Ram Fancy stores for delay in payment	5,000	700	700	Nil	₹ 6,400 × 100/128 = ₹ 5,000. ₹ 5,000 × 14% = ₹ 700
GTA services availed from unregistered	30,000	750	750	Nil	(1400 + 100) × ₹ 20 × 2.5% = 750



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person (RCM apply)					
Total GST		91,250	91,250	9,900	