

**Mock Test Paper - Series I: March, 2025**

**Date of Paper: 19<sup>th</sup> March, 2025**

**Time of Paper: 2 P.M. to 5 P.M.**

**FINAL COURSE: GROUP - II**

**PAPER – 5: INDIRECT TAX LAWS**

1. Question paper comprises of two parts – Division A and Division B.
2. Division A comprises of Case Scenario based Multiple-Choice Questions (MCQs).
3. Division B comprises of questions which require descriptive type answers.
4. Working Notes should form part of the answers. However, in answers to Questions in Division A, working notes are not required.
5. All questions should be answered on the basis of the position of (i) GST law as amended by significant notifications/circulars issued and by the amendments made by the Finance (No. 2) Act, 2024 which have become effective, till 31.10.2024 and (ii) Customs law as amended by the Finance (No. 2) Act, 2024 and significant notifications/circulars and other legislative amendments made upto 31.10.2024.

**Division A – Case Scenario based MCQs (30 Marks)**

Write the most appropriate answer to each of the following multiple-choice questions by choosing one of the four options given. All questions are compulsory.

**Case Scenario - I**

PQR Pvt. Ltd., a company registered under GST in the State of Uttar Pradesh, manufactures products which are used in laboratories. The products are manufactured in the company's factory located in Lucknow, Uttar Pradesh and sold in various parts of Uttar Pradesh. The company also provides intra-State repair and maintenance services for its products. The details of turnover of the company for preceding two financial years are as under:

<b>Particulars</b>	<b>F.Y.-1 (₹)</b>	<b>F.Y.-2 (₹)</b>
Turnover from supply of goods	75,00,000	1,02,00,000
Turnover from supply of services	7,10,000	9,25,000
Interest income from extending loans to others (not included in aforesaid turnover of services)	5,25,000	6,26,000

The company procures the service of M/s Nakul Enterprises, a Goods Transport Agency, having its place of business in Lucknow, Uttar Pradesh, for transport of goods from its factory to customers' location in April. M/s Nakul Enterprises has not exercised the option to itself pay

GST on the services supplied by it. M/s Nakul Enterprises prepares a regular consignment note containing the details of consignor and consignee and other prescribed details. The services provided by M/s Nakul Enterprises are chargeable to tax @ 5%.

Following details are provided by PQR Pvt. Ltd. for April-June quarter of FY-3 (current FY):

S. No.	Particulars	Amount (₹)
(i)	Turnover of supply of goods	10,20,000
(ii)	Turnover of supply of services	92,550
(iii)	Interest income from extending deposit to others	5,000
(iv)	Amount paid for services received from M/s Nakul Enterprises	50,000
(v)	Raw material received from other States	5,26,000
(vi)	Input services received	7,80,900

Following additional information is also provided:

- (1) The raw material mentioned in point (v) above received by PQR Pvt. Ltd. in April in its factory located in Lucknow, Uttar Pradesh, includes goods amounting to ₹ 2,26,000 received from M/s Suraj Enterprises on the instructions received from M/s Abhinay Enterprises. M/s Suraj Enterprises has its principal place of business in Uttar Pradesh whereas M/s Abhinay Enterprises has its principal place of business in Gujarat.
- (2) Vidhata Foundation, a Charitable Trust, registered under section 12AB of the Income Tax Act, 1961 has been set up by the founders of PQR Pvt. Ltd. for conducting charitable activities, in the State of Uttar Pradesh. The Trust organises sessions on yoga and spirituality in the State of Uttar Pradesh and charges participation fees for the same. The total fees collected from participants for the month of April of current FY is ₹ 2,50,000. The input services received by the Trust during the said month amount to ₹ 1,25,260. The Trust is also analysing the proposal of granting rights to PQR Pvt. Ltd. to advertise on its premises.

All the above amounts are exclusive of GST. Following GST rates are applicable on the inward and outward supplies unless otherwise specified:

Particulars	CGST	SGST	IGST
Outward supply	9%	9%	18%
Inward supply	6%	6%	12%

**Based on the case scenario given above, choose the most appropriate answer to Q. nos. 1 to 5, below, carrying 2 marks each:**

1. Whether the service provided by M/s Nakul Enterprises to PQR Pvt. Ltd. is chargeable to tax. If yes, who will discharge the tax liability?

- (a) The service is chargeable to tax and M/s Nakul Enterprises will discharge the tax liability.
  - (b) The service is chargeable to tax and PQR Pvt. Ltd. will discharge the tax liability.
  - (c) The service is exempt under the CGST Act, 2017.
  - (d) The service is chargeable to tax and M/s Nakul Enterprises and PQR Pvt. Ltd. will discharge the tax liability in the ratio of 1:1.
2. Whether PQR Pvt. Ltd. could have opted for composition levy under sub-sections (1) and (2) of section 10 of the CGST Act, 2017 for current financial year (F.Y.-3)?
  - (a) Yes. However, it could have provided services up to a value of ₹ 11,12,500 under composition levy during the current financial year.
  - (b) No, it could not have opted for composition levy.
  - (c) Yes. However, it could have provided services up to ₹ 5,00,000 under composition levy during the current financial year.
  - (d) Yes. However, it could have provided services up to ₹ 11,75,100 under composition levy during the current financial year.
3. Assuming PQR Pvt. Ltd. has opted for composition scheme under sub-sections (1) and (2) of section 10 of the CGST Act, 2017 at the beginning of the current financial year (F.Y.-3), what shall be the total GST liability of PQR Pvt. Ltd. in the State of Uttar Pradesh for April-June quarter?
  - (a) No liability, ITC of 1,56,828 will be carried forward.
  - (b) ₹ 45,931
  - (c) ₹ 13,626
  - (d) ₹ 2,02,759
4. Which of the following statements is incorrect in case of Vidhata Foundation?
  - i. Services provided to charitable or religious trusts are not outside the ambit of GST. Unless specifically exempt, they are chargeable under GST.
  - ii. All the activities of Vidhata Foundation are exempt from GST since it is a charitable trust registered under section 12AB of the Income-tax Act, 1961.
  - iii. Fees charged by any registered person for sessions on yoga and spirituality are exempt since the objective of such programs is advancement of yoga and spirituality.

- (a) i & ii
  - (b) i
  - (c) ii
  - (d) ii & iii
5. What shall be the place of supply (POS) for the supply transaction(s) between PQR Pvt. Ltd., M/s Abhinay Enterprises and M/s Suraj Enterprises and the nature of tax leviable thereon?
- (a) POS for transaction between M/s Abhinay Enterprises and M/s Suraj Enterprises is the location of principal place of business of M/s Abhinay Enterprises, i.e. Gujarat and IGST is leviable on such supply. POS for transaction between M/s Abhinay Enterprises and PQR Pvt. Ltd. is the location at which the movement of goods terminates i.e. at the factory of PQR Pvt. Ltd. in Lucknow, Uttar Pradesh and IGST is leviable on such supply.
  - (b) POS for transaction between M/s Abhinay Enterprises and M/s Suraj Enterprises is the location of principal place of business of M/s Suraj Enterprises, i.e. Uttar Pradesh and IGST is leviable on such supply. POS for transaction between M/s Abhinay Enterprises and PQR Pvt. Ltd. is the location of principal place of business of M/s Abhinay Enterprises, i.e. Gujarat and CGST and SGST are leviable on such supply.
  - (c) POS for transaction between M/s Abhinay Enterprises, PQR Pvt. Ltd. and M/s Suraj Enterprises is the location of principal place of business of PQR Pvt. Ltd., i.e. Uttar Pradesh since goods are delivered there and CGST and SGST are leviable on such supply.
  - (d) POS for transaction between M/s Abhinay Enterprises, PQR Pvt. Ltd. and M/s Suraj Enterprises is the location of principal place of business of PQR Pvt. Ltd., i.e. Uttar Pradesh since goods are delivered there and IGST is leviable on such supply.

**Case scenario-II**

Himgiri Solutions Private Limited (hereinafter referred to as 'Himgiri Solutions') is engaged in providing multidimensional services to its clients through its office in Haryana, registered under GST. During the month of July, the following transactions were undertaken by Himgiri Solutions:

- (i) Import of certain cloud services from Easycart.com for an amount of ₹ 51,00,000.
- (ii) Himgiri Solutions pays sitting fee of ₹ 25,000 each to its 4 directors per month. Further, there are two directors who are in the executive roles and are withdrawing ₹ 2,00,000

each per month as salary from the company and the applicable TDS amount, under section 192 of the Income-tax Act, 1961, is deducted from such salary.

- (iii) Himgiri Solutions paid for life insurance of its employees in compliance of its internal policy. The total amount of premium paid for 20 employees was ₹ 5,00,000.
- (iv) Himgiri Solutions provided consultancy services to its client, Zoom Corp. based in Bangalore and issued an invoice of ₹ 30,00,000.
- (v) Empowering India is a Non-Government Organisation located in Haryana. It aims at empowering the eligible companies to grow their business in India. Himgiri Solutions, being one of the eligible companies, received a subsidy of ₹ 5,00,000 in lumpsum from Empowering India for the month of July.
- (vi) Himgiri Solutions provided sponsorship services to Mr. X, an individual, for an event organised by it in the State of Haryana. The amount agreed for such sponsorship services is ₹ 5,00,000.

All the amounts given above are exclusive of GST unless otherwise provided. There is no other outward or inward supply transaction apart from aforesaid transactions in the month of July.

The opening balance of input tax credit for the relevant tax period for the company is nil. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled.

GST is applicable on all inward and outward supplies in the aforesaid case scenario @ 18%, unless otherwise specified. Ignore CGST, SGST and IGST bifurcation for the sake of simplicity.

**Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos 6 to 10 below, carrying 2 marks each:**

- 6. The liability to pay GST for cloud services procured by Himgiri Solutions from Easecart.com shall be:
  - (a) on Easecart.com since the services are online information and database access or retrieval services and GST of ₹ 9,00,000 shall be paid by Easecart.com.
  - (b) nil. There will not be any GST liability on the transaction since Easecart.com is located outside India and services are provided electronically.
  - (c) on Easecart.com under forward charge and GST of ₹ 9,18,000 shall be paid by Easecart.com.

- (d) on Himgiri Solutions under reverse charge and GST of ₹ 9,18,000 shall be paid by Himgiri Solutions.
7. Himgiri Solutions seeks your advice on the taxability of the sitting fee payable to directors and salary payable to the executive directors. The correct advice is:
- (a) Sitting fees paid to the directors is liable to GST under reverse charge and the salary paid to executive directors shall not be liable to GST.
- (b) Total amount payable to directors (sitting fees as well as salary) is exempt from GST.
- (c) Total amount payable to directors (sitting fees as well as salary) is liable to GST under reverse charge in hands of Himgiri Solutions.
- (d) Total amount payable to directors (sitting fees as well as salary) is liable to GST under forward charge in the hands of the directors as professional income.
8. What shall be the amount of input tax credit available with Himgiri Solutions for the month of July?
- (a) ₹ 10,26,000
- (b) ₹ 11,16,000
- (c) ₹ 9,36,000
- (d) ₹ 1,96,000
9. Compute the value of outward supplies made by Himgiri Solutions in the month of July.
- (a) ₹ 30,00,000
- (b) ₹ 25,00,000
- (c) ₹ 35,00,000
- (d) ₹ 40,00,000
10. Compute the amount of net GST to be deposited in cash by Himgiri Solutions for the month of July.
- (a) Nil
- (b) ₹ 7,20,000
- (c) ₹ 9,36,000
- (d) ₹ 14,76,000

**Case Scenario - III**

Bhaskar (P) Ltd., registered under GST in Delhi, is engaged in trading of cement as well as providing services by way of renting of commercial properties. On 2<sup>nd</sup> January, it received a contract for supply of 1,000 kg cement from Ruksana (P) Ltd., registered under GST in Punjab. Ruksana (P) Ltd. directed Bhaskar (P) Ltd. to send the consignment to Prem & Sons, registered under GST in Gujarat.

Bhaskar (P) Ltd. prepared the consignment on 4<sup>th</sup> January and dispatched the same on the next day from its warehouse in Gurugram, Haryana. The invoice was also issued on 5<sup>th</sup> January. On 7<sup>th</sup> January, it received the cheque and accountant entered the payment in books of accounts. However, he presented the cheque in bank on 14<sup>th</sup> January which was credited in the bank account of the company on 15<sup>th</sup> January. In the meanwhile, on 10<sup>th</sup> January, the rate of tax on cement was reduced from 28% to 18%.

On the inspection of said goods, it was found that there is some deficiency in the quality of goods and therefore, the defective goods were returned to Bhaskar (P) Ltd. Bhaskar (P) Ltd. issued credit note for the same on 20<sup>th</sup> January.

Bhaskar (P) Ltd. let out its property located in Delhi for a year in lieu of monthly rental income and received rent for the month of January from Ruksana (P) Ltd. on 10<sup>th</sup> February. Ruksana (P) Ltd. will establish its sales outlet on the same. However, as per the contract entered, the rent for a month should have been received by 7<sup>th</sup> of the following month.

**Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 11 to 13 below, carrying 2 marks each:**

11. What will be the time of supply and rate of tax to be charged in respect of supply of 1,000 kg of cement?
  - (a) 5<sup>th</sup> January; 28%
  - (b) 7<sup>th</sup> January; 28%
  - (c) 14<sup>th</sup> January; 18%
  - (d) 15<sup>th</sup> January; 18%
  
12. What is the place of supply in respect of transaction between Bhaskar (P) Ltd. and Ruksana (P) Ltd., and Ruksana (P) Ltd. and Prem & Sons, respectively?
  - (a) Delhi, Punjab
  - (b) Punjab, Gujarat
  - (c) Haryana, Punjab
  - (d) Haryana, Gujarat

13. Bhaskar (P) Ltd. has not issued any invoice in respect of the services provided by way of renting of commercial properties in the month of January. What is the last date for issuance of invoice?
- (a) 10<sup>th</sup> February
  - (b) 7<sup>th</sup> February
  - (c) Either (a) or (b), whichever is earlier.
  - (d) Either (a) or (b), whichever is later.

**Independent MCQs**

14. For determining the CIF price of the imported goods, "Metal PMT" certain additions have to be made to the value of imported goods under rule 10(2) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. If cost of insurance is not ascertainable from the documents submitted before the customs authorities, then such amount is determined as follows:
- (i) 20% of free on board value of imported goods
  - (ii) 1.125% of free on board value of imported goods
  - (iii) Where free on board value is not ascertainable, but sum of free on board value and cost of transport, loading, unloading and handling charges up to place of importation is ascertainable; then 1.125% of such sum
  - (iv) Where free on board value is not ascertainable, but sum of free on board value and cost of transport, loading, unloading and handling charges up to place of importation is ascertainable; then 20% of such sum.

Choose the most appropriate option.

- (a) (i) or (iii)
  - (b) (i) or (iv)
  - (c) (ii) or (iii)
  - (d) (ii) or (iv) **(2 Marks)**
15. Determine the total duties payable under the customs law if Mr. Aditya imported rubber from Singapore at landed price (exclusive of duties) of ₹ 50 lakh. It has been notified by the Central Government that share of imports of rubber from the developing country against total imports to India exceeds 5%. Safeguard duty notified

on this product is 30% and basic customs duty is 10%. Ignore integrated tax and agriculture infrastructure and development cess.

- (a) ₹ 20,50,000
- (b) ₹ 20,00,000
- (c) ₹23,50,000
- (d) ₹18,00,000

**(2 Marks)**

**Division B – Descriptive Questions (70 Marks)**

Question paper comprises of 6 questions.

Answer Question No. 1 which is compulsory and any 4 questions out of the remaining 5 questions.

1. Vedant Shoppe is a retail trader of both taxable and exempted goods, registered under GST in the State of Rajasthan. Vedant Shoppe has furnished the following details for a month:

		(₹)
(1)	Details of sales:	
	Supply of taxable goods	50,00,000
	Supply of goods not leviable to GST	10,00,000
(2)	Details of goods purchased for being sold in the shop:	
	Taxable goods	45,00,000
	Goods not leviable to GST	4,00,000
(3)	Details of expenses:	
	Monthly rent payable for the shop	3,50,000
	Telephone expenses paid (₹ 30,000 for bills of land line phone installed at the shop and ₹ 20,000 towards mobile phone bills of the employees – Mobile phones are also given to employees for official use)	50,000
	Audit fees paid to a Chartered Accountant (₹ 35,000 for the statutory audit of preceding financial year and ₹ 25,000 for certification work)	60,000
	Premium paid on health insurance policies taken for specified employees of the shop as per company policy.	10,000

Freight paid to goods transport agency (GTA) [service taxable @ 5%] for inward transportation of goods not leviable to GST	50,000
Freight paid to goods transport agency (GTA) [service taxable under reverse charge @ 5%] for inward transportation of taxable goods	1,50,000
Goods given as free samples (Not included in taxable goods value of 45,00,000)	5,000

All the above amounts are exclusive of all kinds of taxes, wherever applicable.

All the inward and outward supplies made by Vedant Shoppe are from/to registered suppliers within Rajasthan.

Assume, wherever applicable, for purpose of reverse charge payable by Vedant Shoppe, the CGST, SGST and IGST rates as 2.5%, 2.5% and 5% respectively. CGST, SGST and IGST rates to be 6%, 6% and 12% respectively in all other cases.

There is no opening balance in the electronic cash ledger or electronic credit ledger. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled.

You are required to compute the following:

- (i) Input Tax Credit (ITC) credited to Electronic Credit Ledger
  - (ii) Common credit available for apportionment
  - (iii) ITC attributable towards exempt supplies out of common credit
  - (iv) Net GST payable from Electronic Cash Ledger for the month **(14 Marks)**
2. (a) Malceto Manufacturers Ltd., registered in Mumbai (Maharashtra), is a manufacturer of footwear. It imports a footwear making machine from USA. Malceto Manufacturers Ltd. enters into a contract with Shiva Logistics, a licensed customs broker with its office at Ahmedabad (Gujarat), to meet all the legal formalities in getting the said machine cleared from the customs station.

Apart from this, Malceto Manufacturers Ltd. authorises Shiva Logistics to incur, on its behalf, the expenses in relation to clearance of the imported machine from the customs station and bringing the same to the warehouse of Malceto Manufacturers Ltd. which shall be reimbursed by Malceto Manufacturers Ltd. to Shiva Logistics on the actual basis in addition to agency charges.

Shiva Logistics provided following details in the invoice issued by it to Rolly Manufacturers Ltd.:

S. No.	Particulars	Amount (₹)
(i)	Agency charges	5,00,000
(ii)	Unloading of machine at Kandla port, Gujarat	50,000
(iii)	Charges for transportation of machine from Kandla port, Gujarat to its Shiva Logistics' godown in Ahmedabad, Gujarat	25,000
(iv)	Charges for transportation of machine from Shiva Logistics' Ahmedabad godown to the warehouse of Malceto Export Import House in Mumbai, Maharashtra	28,000
(v)	Prepared and submitted Bill of Entry and paid customs duty	5,00,000
(vi)	Dock dues paid	50,000
(vii)	Port charges paid	50,000
(viii)	Hotel expenses	45,000
(ix)	Travelling expenses	50,000
(x)	Telephone expenses	2,000

Compute the value of supply made by Shiva Logistics with the help of given information.

Would your answer be different if Shiva Logistics has charged ₹ 13,00,000 as a lump sum consideration for getting the imported machine cleared from the customs station and bringing the same to the warehouse of Malceto Manufacturers Ltd.?  
**(10 Marks)**

- (b) 15,000 chalices were imported for charitable distribution in India by Social Welfare Charitable Trust. The Trust did not pay either for the cost of goods or for the design and development charges, which was borne by the supplier. Customs officer computed its FOB value at USD 20,000 (including design and development charges), which was accepted by the Trust. Other details obtained were as follows:

Sl. No.	Particulars	Amount
1.	Freight paid (air) (in USD)	4,500
2.	Design & development charges paid in USA (in USD)	2,500
3.	Commission payable to an agent in India (in ₹)	12,500

4.	Exchange rate notified by CBIC and rate of basic duty is as follows:		
	Date of Bill of Entry	BCD	Exchange Rate in
	8 <sup>th</sup> September	20%	₹ 70
	Date of arrival of aircraft	BCD	Exchange Rate in
	30 <sup>th</sup> September	10%	₹ 72
	The inter-bank rate was	1 USD = ₹ 73	

Compute the amount of Assessable value of chalices. Make suitable assumptions where required. Working notes should form part of your answer. **(4 Marks)**

3. (a) RMN Company Ltd., a registered supplier of Bengaluru (Karnataka), is a manufacturer of goods. The company provides the following information pertaining to GST paid on inward supplies during the month of April (current financial year):

S. No.	Items	GST paid in (₹)
(i)	Life Insurance premium paid by the company for the life insurance of factory employees as per the policy of the company. There is no legal obligation for such insurance for employees.	1,50,000
(ii)	Raw materials purchased for which invoice is missing but delivery challan is available	38,000
(iii)	Raw materials purchased which are used for zero rated supply	50,000
(iv)	Works contractor's service used for repair of factory building which is debited in the profit and loss account of company	30,000
(v)	Company purchased the capital goods for ₹ 4,00,000 and claimed depreciation of ₹ 44,800 (@ 10%) on the full amount of ₹ 4,48,000 under Income Tax Act, 1961	48,000

Other information:

- (1) In the month of September of previous financial year, RMN Company Ltd. availed ITC of ₹ 2,40,000 on purchase of raw material which was directly sent to job worker's premises under a challan on 25<sup>th</sup> September (previous

financial year). The said raw material has not been received back from the job worker up to 30<sup>th</sup> April (current financial year).

- (2) All the above inward supplies except at S. No. (iii) above have been used in the manufacture of taxable goods. Inward supplies at S. No. (iii) above have been used in the manufacture of exempt goods.

Compute the amount of net ITC that can be availed by RMN Company Ltd. for the month of April with necessary explanations for the treatment of various items as per the provisions of the CGST Act. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled.

**(5 Marks)**

- (b) Determine the time of supply in the following cases:

- (i) Bhansali Ltd. sells goods to Chopra Ltd. on 4<sup>th</sup> June. The goods are taxable under reverse charge. Invoice for the same is issued on 4<sup>th</sup> June. Chopra Ltd. receives the goods on 12<sup>th</sup> June.

Chopra Ltd. records the payment in the books of account on 30<sup>th</sup> June and the same is debited from the bank account of C Ltd. on 2<sup>nd</sup> July.

- (ii) Aanand Ltd. sells food coupons to Banwari Ltd. The company gives these coupons to its employees as part of the agreed perquisites. The coupons can be redeemed for purchase of any item of food /provisions in the outlets that are part of the program.

**(5 Marks)**

- (c) M/s Bhalla Imports Ltd. imported certain goods, which were unloaded in the customs area on 1<sup>st</sup> October. When order for clearance was passed by proper officer on 5<sup>th</sup> October, it was found that there was some pilferage of such goods. As the imported goods were in the custody of Port Trust, the Department demanded duty from the custodian under section 45(3) of the Customs Act, 1962, on such pilferage. The Port Trust denied such demand contending that it was not an approved custodian falling under section 45 of Customs Act, 1962 and possession of goods by it was by virtue of powers conferred under the Major Port Trust Act, 1963. Hence, it is not liable for customs duty on pilfered goods.

M/s Bhalla Imports Ltd. has also asked the Port Trust to make good the loss of goods. Examine, whether the demands made by the Department and M/s Bhalla Imports Ltd. are justified in law, referring to decided case law.

**(4 Marks)**

4. (a) M/s Surajbhan & Co. is registered under GST in the state of Maharashtra. They have made zero-rated supply of goods worth ₹ 84,50,000 without payment of IGST for ₹ 10,14,000 during the month of May. The refund application under section 54 for the above supply has been rejected by the proper officer.

Mr. Abhay, taxation manager of the firm, has sought for recrediting the Electronic Credit Ledger as per the provisions of rule 86 for the above rejection. Examine the scenario and offer your comments. **(5 Marks)**

- (b) Mr. Narayan has, over three consignments of 200, 400 and 400 units, imported a total of 1000 units of an article "ZEP", which has been valued at ₹ 1,150 per unit. The customs duty on this article has been assessed ₹ 250 per unit. He adds his profit margin ₹ 350 per unit and sells the article for ₹ 1,750 per unit.

After one month of selling the entire consignment of article "ZEP", Mr. Narayan found that there had been an error in payment of amount of duty, in which duty for the consignment of 200 units was paid as if it was 400 units, resulting in excess payment of duty. Mr. Narayan files an application for refund for ₹ 50,000 (200 X 250). Is the bar of unjust enrichment attracted? **(5 Marks)**

- (c) Vishal imported certain goods in May. An 'into bond' bill of entry was presented on 14<sup>th</sup> May and goods were cleared from the port for warehousing. Assessable value on that date was US \$ 1,00,000. The order permitting the deposit of goods in warehouse for 4 months was issued on 21<sup>st</sup> May. Vishal deposited the goods in warehouse on the same day but did not clear the imported goods even after the warehousing period got over on 21<sup>st</sup> September.

A notice was issued under section 72 of the Customs Act, 1962, demanding duty and interest. Vishal cleared the goods on 14<sup>th</sup> October. Compute the amount of duty and interest payable by Vishal while removing the goods on the basis of the following information:

Particulars	14 <sup>th</sup> May	21 <sup>st</sup> September	14 <sup>th</sup> October
Rate of exchange per US \$ (as notified by Central Board of Indirect taxes & Customs)	₹65.20	₹ 65.40	₹ 65.50
Basic customs duty	15%	10%	12%

Integrated Tax leviable under section 3(7) of the Customs Tariff Act is exempt. Ignore agriculture and infrastructure development cess. **(4 Marks)**

5. (a) Examine the implications as regards the bailability and quantum of punishment on prosecution, in respect of the following cases pertaining to the month of December under CGST Act, 2017-
- (i) 'Amit' 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) 'Suresh' 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 'Amit' and 'Suresh' for the offences? What would be the position, if 'Amit' and 'Suresh' repeat the offences?

It may be assumed that offences are proved in the Court. **(5 Marks)**

- (b) In an order dated 20<sup>th</sup> August issued to QR (P) Ltd., the Joint Commissioner of CGST has confirmed IGST demand of ₹ 280 crore. The company is disputing the entire demand of IGST and wants to know the amount of pre-deposit it has to make under the IGST Act for filing an appeal before the Appellate Authority against the order of the Joint Commissioner.

Assuming that the Appellate Authority also confirms the order of the Joint Commissioner and the company wants to file an appeal before the Appellate Tribunal against the order of the Appellate Authority, determine the amount of pre-deposit to be made by the company for filing the said appeal. **(5 Marks)**

- (c) What are the conditions required to be fulfilled by the importer to make the imported goods eligible for preferential rate of duty prescribed by the Central Government by notification under section 25 of the Customs Act, 1962? **(4 Marks)**

6. (a) Write a brief note on Summary Assessment in certain special cases as per section 64 of the CGST Act, 2017. **(6 Marks)**
- (b) Explain the provisions relating to rectification of errors apparent on the face of record under section 161. **(4 Marks)**

**OR**

- (b) State the circumstances when the proper officer can authorize 'arrest' of any person under the CGST Act. **(4 Marks)**
- (c) Discuss the liability of the retiring partner of a firm to pay any tax, interest or penalty, if any, leviable on the firm under CGST/ IGST/ SGST Act. **(4 Marks)**