



The Institute of Chartered Accountants of India

Code: [Redacted]  
Subject : 05 Indirect Tax Laws

Total Marks: 70  
Marks Obtained : 60

GRAPH PAPER IS ON THE PENULTIMATE PAGE  
Book No. 1 (containing 28 pages)

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**  
CA Final Examination

Group No. 2 Paper No. 5  
Subject Indirect Tax Laws

Number of Answer Books used : Main + additional sheets  
Date Seal 16 MAY 2025

[Redacted]  
[Barcode]  
[Seal: THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA, 16 MAY 2025]

Paper Code	F	A	B	C	D	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
	T	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	U	V	W	X	Y	Z
	X	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	Y	Z
	1																									

MCQ Booklet Serial No. [Redacted] Paper No. 5 Level of Exam Final

	Foundation (1)	Intermediate (2)	Final (3)
MCQ Answers			
1	A B C D	11	A B C D
2	A B C D	12	A B C D
3	A B C D	13	A B C D
4	A B C D	14	A B C D
5	A B C D	15	A B C D
6	A B C D	16	A B C D
7	A B C D	17	A B C D
8	A B C D	18	A B C D
9	A B C D	19	A B C D
10	A B C D	20	A B C D
		21	A B C D
		22	A B C D
		23	A B C D
		24	A B C D
		25	A B C D
		26	A B C D
		27	A B C D
		28	A B C D
		29	A B C D
		30	A B C D





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03



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Q1

Q1

Computation of output tax liability:

Particular	VOS	ICST
(i) Export of D with payment of ICST	1650000	198000 [1650000 × 12%]
(ii) Product D under LUT to SEZ [supplying goods to SEZ unit is a zero rated supply & under a LUT thus no tax payable]	900000	-
(iii) Export of D under LUT [Exports supply of goods under LUT is a zero rated supply & since LUT executed no tax payable]	1100000	-
(iv) Domestic supply of D	4600000	552000 [4600000 × 12%]
(v) Supplied services [No tax payment as the tax is to be paid under	800000	-

2 R 1Step1



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		04	
	reverse charge by recipient ]		
	(vii) Sale of securities	-	-
	[ securities are neither goods nor services ] that it is not a supply ]		
	(viii) Supply of hiring of trucks	700000	-
	[ Supply of hiring services to a GTA by way of providing a means of transport is exempt ]		
1.5	R 1Step2		
	(ix) Sale of land	-	-
	[ sale of land is neither supply of goods nor services as per schedule III ]		
	(x) Interest on fixed deposits	251000	-
	[ Services by way of advancing loans or deposits with banks where consideration is by way of interest or discount is exempt ]		
2	R 1Step3		
	Total output Tax	75000	75000



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computation of Eligible ITC :

Common ITC :

$$\begin{aligned} \text{Inputs} &= 2000000 \times 12\% = 240000 \\ \text{Inputs services} &= 800000 \times 18\% = 144000 \\ \hline \text{Common ITC} &= 384000 \end{aligned}$$

Exempt Turnover :

2	R	✓	Sale of securities [1% of sales consideration]	= 42000	✓
			✓	Outward supply where tax payable under RCM	✓
				= 800000	✓
1	R	✓	Sale of land [90%]	= 14000000	✓
			✓	Hiring of Trucks [Exempt]	✓
				= 700000	✓
				<u>15542000</u>	✓

$$\begin{aligned} \text{Total Turnover} &= 1650000 + 900000 + 1100000 + 4600000 + 15542000 + 251000 \\ &\Rightarrow 24043000 \end{aligned}$$

$$\begin{aligned} \text{Common ITC attributable to exempt turnover} &= 384000 \times \frac{15542000}{24043000} = 248227 \end{aligned}$$

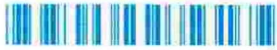
Eligible common credit = 135113

3	R	(+)	ITC on freight paid to GTA under RCM	= 3750	✓
				<u>139523</u>	✓



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Computation of net GST payable:

	₹	IGST
Output tax liability		750000
(-) ITC		(139523)
Net output tax liability		610477
(+) Liability under reverse charge		
Freight paid to GTA	75000	3750
Net liability to be paid in cash		614227

Note: The ITC availed does not exceed 99% of output tax liability in accordance with rule 80B.



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Q2(a)

Q2  
 (a) Computation of taxable value & tax payable :

Particular	VOS	COST	SGST	IGST
(i) Supply of wheat flour [ composite supply of goods & services where principal supply is milling of wheat into flour & is supply of service & place of supply is Tamil Nadu utd 12(2) ]	850000	-	-	153000
(ii) Direct selling agent service to bank [ taxable under forward charge as supplier is a person other than individual & place of supply is Karnataka ]	400000	36000	36000	-

1.5 2aStep1



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(ii) Supply of tobacco leaves [ supply of tobacco leaves as agriculturist to a registered person is taxable under <input checked="" type="checkbox"/> revenue charge]	<del>2600000</del>	-	-	-
(iv) Training of drivers [supply of training services to government where atleast 75% <input checked="" type="checkbox"/> of expense is borne by government is exempt]	<del>2600000</del>	-	-	-
(v) Obligation to refrain or tolerate an act [ compensation for refraining an act attracts GST & place of supply is Karnataka ]	2600000	234000	234000	-
<b>Total</b>	<input checked="" type="checkbox"/> 3850000	270000	270000	153000

3  
 R 2a Step 2  
 4.5  
 R 2a



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Q2

(b) Job work means applying process or treatment on the goods supplied by a registered person.

Further as per schedule II [section 1(1A)], the process ~~of~~ or treatment ~~of~~ on goods belonging to other  <sup>R</sup> treated as supply of services.

Further, in the course of job work, the job worker may use raw material in addition to those supplied by principal. However the same does not result in supply of goods. Rather usage of inputs to provide job work services is a part of job work & treated as  supply of services.

Also, in case of registered job work, any waste generated in the process if supplied by the job worker will be treated as supply  of goods & he is liable to pay GST.

Thus, the value of cabinet  will not



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be included in job charges as those are the goods on which the process or treatment is applied.

**2** <sup>R</sup> 2bStep1 Taxable value  $\Rightarrow$  Job work = 650000  
Scrap/Waste = 52000

**2** <sup>R</sup> 2bStep2 GST Liability:  
Job work = 650000  $\times$  18% = 117000 ✓  
Waste = 52000  $\times$  12% = 6240 ✓  
Net Liability 123240

**4** <sup>R</sup> 2b

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Q2 (c)

Q2  
(c) Computation of assessable value:

Particulars	Amount
Price of machine	\$ 20000
(+) Design charges in USA	300
License fee [10% of 20000]	2000
Buying commission	-
Development charges in India	-
	\$ 22300
value in ₹ [CBIC rate ₹ 83/\$]	1850900
(+) Free materials provided by buyer	50000
Selling commission [20000 × 5% × 83]	83000
FOB as per customs	1983900
(+) Freight [Restricted to 20% of FOB] [Actual : 5000 × 83 = 415000]	396780
Insurance	6000
<b>CIF / Assessable value</b>	<b>2386680</b>

**Notes:**  
 (1) Buying commission not included as per



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rule 10(13(a)).

- (2) Development activities for work done is ✓ included as per rule 10(13(c)).
- (3) Materials supplied free of cost to ✓ exported by buyer is included as per rule 10(13(b)).
- (4) The rate of exchange to be taken ✓ is the rate notified by CBIC.

4 R 2c

12.5 R 2



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Q5

Q5 (a)

(a)

- (i) Penalty u/s 74 is levied in case the ; ~~tax~~
- (a) tax is not paid
  - (b) <sup>shortfall in</sup> tax paid
  - (c) erroneous refund
  - (d) ITC wrongly availed
  - (e) ITC wrongly utilized

In present case, Mr X has issued invoice without supply of goods. As per CBIC circular, where tax invoice is issued without supply, there is no tax payable on such invoice as there is no supply by supplier.

Thus penalty u/s 74 cannot be demanded.

However, the circular states that in such cases penalty u/s 122(1)(ii) will be levied which is higher of:

- (a) ₹10000
- (b) 100% of tax on such invoice.

Thus the penalty u/s 122(1)(ii) is ₹ 3.60 crore [1.80 CEST & 1.80 SURT]



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(ii) Section 132(1):  
If a registered person commits any of the offences listed out in 132(1) then all such offences are considered as non-cognizable offence.  
Further if a person commits offences listed out in clause (a) to (d) of 132(1) & the amount of tax involved is more than ₹5 crore then such offences are cognizable offence.

Issuing invoice without supply falls u/s 132(1)(b) but as the amount of tax is ₹3.60 crore, it is not a cognizable offence.

(iii) If a person is convicted for an offence u/s 132(1)(b) & the amount of tax evaded is more than ₹200 upto ₹50000 then he is punishable with imprisonment for a term upto 3 years.

(iv) Amount of penalty leviable on Mr. X u/s 122(1)(ii) is higher of:  
(a) ₹10000 (+10000 GST)  
(b) 100% of tax payable i.e. ₹3.60 (CGST+SGST)



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Penalty = ₹ 3.60 or (1.80 CGST & 1.80 SGST)

R 1.5 5aStep2

(iv) Any person who aids or abets the above offence is liable to penalty of ₹95000 [equal amount in SGST too] u/s 122(3).

R 4 5a

Q5 (b)

(b) Every appeal against the order of Revisional Authority passed u/s 108 is to be made before the Appellate Tribunal.

Thus the appellate authority is GSTAT.

(2) The amount of pre-deposit shall be the sum of:

(a) full amount of tax, interest, penalty, fees in respect of demand admitted

(b) 20% of remaining amount of tax in dispute subject to maximum of ₹ 50 or (equal amount under SGST)

Pre-deposit = (a) = 2000000 + 500000 + 2000000 = 4500000



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$$(b) = 20\% \times [7000000 - 2000000] = 1000000$$

2 R  
5bStep1

Total = ₹ 5500000  
Equal amount under SGST i.e. ₹ 5500000

(3) Where the pre-deposit is to be refunded on account of judgement or order then interest on pre-deposit is payable @ 9% from date of pre-deposit till the date of refund.

1.5 R  
5bStep2

$$₹ 1000000 \times 9\% \times \frac{104}{365} = ₹ 25644$$

Note: Since date of pre-deposit is not provided it is assumed it was paid along with admitted liability on 30.11.24. Thus interest is for period 01.12.24 to 14.03.25 i.e. 104 days

Equal amount is payable under ~~SGST~~ <sup>SGST</sup>

(4) Appeal against the order of adjudicating authority shall lie before <sup>first</sup> appellate authority i.e. Commissioner (Appeals)



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Pre-deposit:

(a) Full amount admitted = 4500000

(b) 10% of remaining tax = 400000

in dispute [6000000 - 2000000]

Pre-deposit 4900000

Equal amount under GST i.e. 4900000

1 5bStep3  
 4.5 5b

(25(c))

Q5(c) As per section 61, where a warehousing order is passed up to 60, the goods shall be deposited in warehouse for a maximum period of 1 year. However where the goods remain in warehouse for a period beyond 90 days, interest is levied @ 15% from 91<sup>st</sup> day upto date of removal.

0.5 5cStep1

However where no customs duty is payable on such goods then no interest is to be levied as interest is ancillary to the customs duty.

1 5cStep2

Thus, no interest is payable by the Assessee on goods re-exported.

1 5cStep3  
 2.5 5c  
 11 5



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- Q4
- (i) As per section 51, TDS is liable to be deducted on net value of taxable supplies if the value is exceeding ₹ 250000 including taxes.
- Value of taxable supplies = 260000 (including GST)
- Value including GST =  $260000 \times \frac{100}{118}$
- = ₹ 220339
- Since value of taxable supply does not exceed ₹ 2.5 lakh no TDS is to be deducted.
- (ii) National Housing Bank, a society established by government is a notified person who is required to deduct TDS.
- Place of supply is (b)(1a) = Mumbai  
Inter-state transaction
- TDS =  $2000000 \times 2\%$  = ₹ 40000
- (iii) where services are provided to a recipient in relation to which the place of supply & location of



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supplier are in same state but the location of recipient is in different state no TDS is to be deducted.

Place of supply of services in relation to immovable property is the location of immovable property u/s 12(3).

Thus, as POS & location of supplier is Maharashtra while location of recipient is Himachal Pradesh no TDS is to be deducted.

(iv) Since value of supply doesnot exceed ₹ 250000, no TDS is to be deducted.

3 R 4a Step 2 Any registered person who has received metal scrap from any other registered person shall deduct TDS @ 2% [1% CGST & 1% SGST]

4 R 4a

TDS =  $300000 \times 1\% = 3000$  CGST  
 $300000 \times 1\% = 3000$  SGST

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@4(b)

Q4(b) (i)

Any registered person whose aggregate turnover in preceding FY is upto ₹ 5 crore is eligible for QRMP scheme i.e. quarterly return monthly payment in current financial year upto the TIO of ₹ 5 cr.

Further the scheme is GSTIN based & not PAN based. Thus it is not mandatory for all person registered under same PAN to opt for QRMP.

In present case, RRY Ltd. has two registered places of business, one in Tamil Nadu & other in Karnataka.

3 4bStep1 Aggregate TIO in FY 23-24 = ₹ 4.74 cr & thus it is eligible for QRMP scheme.


Further it wishes to opt for QRMP in one state & continue with regular in other. Based on above provision, RRY Ltd. is entitled to do so.



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0 4bStep2

3 4b

Q4(c)

Q4(c)

computation of customs duty on baggage:

	₹
✓ Cigarettes [100 x ₹120]	12000
✓ Travel souvenir	-
✓ Other articles	125500
✓ Fire-arm	-
✓ cartridges [50 x ₹510]	25500
169000	169000
2 4cStep1 General duty free allowance	(15000)
Assessable value	✓ 148000
Customs duty = 148000 × 38.5%	
=	✓ ₹ 56980

Notes:

(i) Cigarettes sticks exceeding 100 i.e. 40 sticks, fire-arms & cartridges exceeding 50 i.e. 60 are not included in general duty free allowances & listed out in Annexure

2 4cStep2

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1 on which 100% duty is payable  
(R) Tourist of foreign origin can avail  
(4) (4c) general allowance of 15000  
(R) No duty is levied on travel Souvenir.

(11) (4)

Q3 (a)

Q3

(a) (i) As per 10(1)(ca), where goods are supplied to ~~an~~ <sup>an</sup> unregistered person then notwithstanding anything contained in clause (a) or (c), the place of supply shall be the location as per the billing address recorded in invoice & if no address is recorded then the location of supplier.

Further it has been clarified that where billing & delivery address are different then the delivery address shall be considered as place of supply.

In this case, Mr. Prakash of Surat placed order on E-Shoppe for delivery of laptop in Mumbai. Though the billing address of residence in surat is provided the place of supply



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will be Mumbai, Maharashtra ✓

(ii) As per section 12(4), the place of supply of services in relation to personal grooming & fitness services shall be the location where the services are actually performed.

Thus the place of supply is Delhi i.e. residence of Ms. Neha. ✓

2.5

3aStep1

(iii) As per 13(4), the place of supply for services in relation to immovable property shall be the location of immovable property. Further, if the immovable property is located in more than 1 territory which includes taxable territory then the place of supply shall be taxable territory.

Place of supply for property in Uttarakhand & Italy is Uttarakhand. ✓

(iv) As per 10(1)(a), the place of supply of goods to be assembled or installed at a place shall be the location where it is assembled. ✓



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The place of supply is Bhopal, MP where machine is assembled. ✓

2.5 R 3aStep2

5 R 3a

Q 3 (b)

Q 3

(b) where a registered person secures a bid to use spectrum from government the same amount to supply of services by government. Further tax on such supply is to be paid under reverse charge by recipient. ✓

(i) Upfront payment:

In case where full amount is paid upfront the time of supply shall be:

(a) due date of such payment ✓

(b) actual date of payment ✓

2 R 3bStep1 whichever is earlier. ✓

(ii) deferred payment:

The case of deferred payment results in continuous supply of services for a period exceeding 3 months. ✓

Further where due dates are

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ascertainable the invoice shall be issued on or before the due date of  payment of instalment.

Further time of supply shall be:

(a) due date of instalment

(b) actual date of payment whichever is  earlier.

**3** **R** **3bStep2**

**5** **R** **3b**

**Q3**

(c) Where capital goods are imported by availing concession ~~from~~ & later on after using for specified purpose it is cleared the duty payable is:

Duty = Duty on value (depreciated) - Duty already paid

**1** **R** **3cStep1**

Capital asset depreciated value

$\Rightarrow 3000000 - 4\% [3000000] \times 2 @ 11\%$

$\Rightarrow 2760000$

Differential duty =  $(2760000 \times 15\%) - 300000$

$= ₹1140000$

**2** **R** **3cStep2**

**3** **R** **3c** **13** **R** **3**

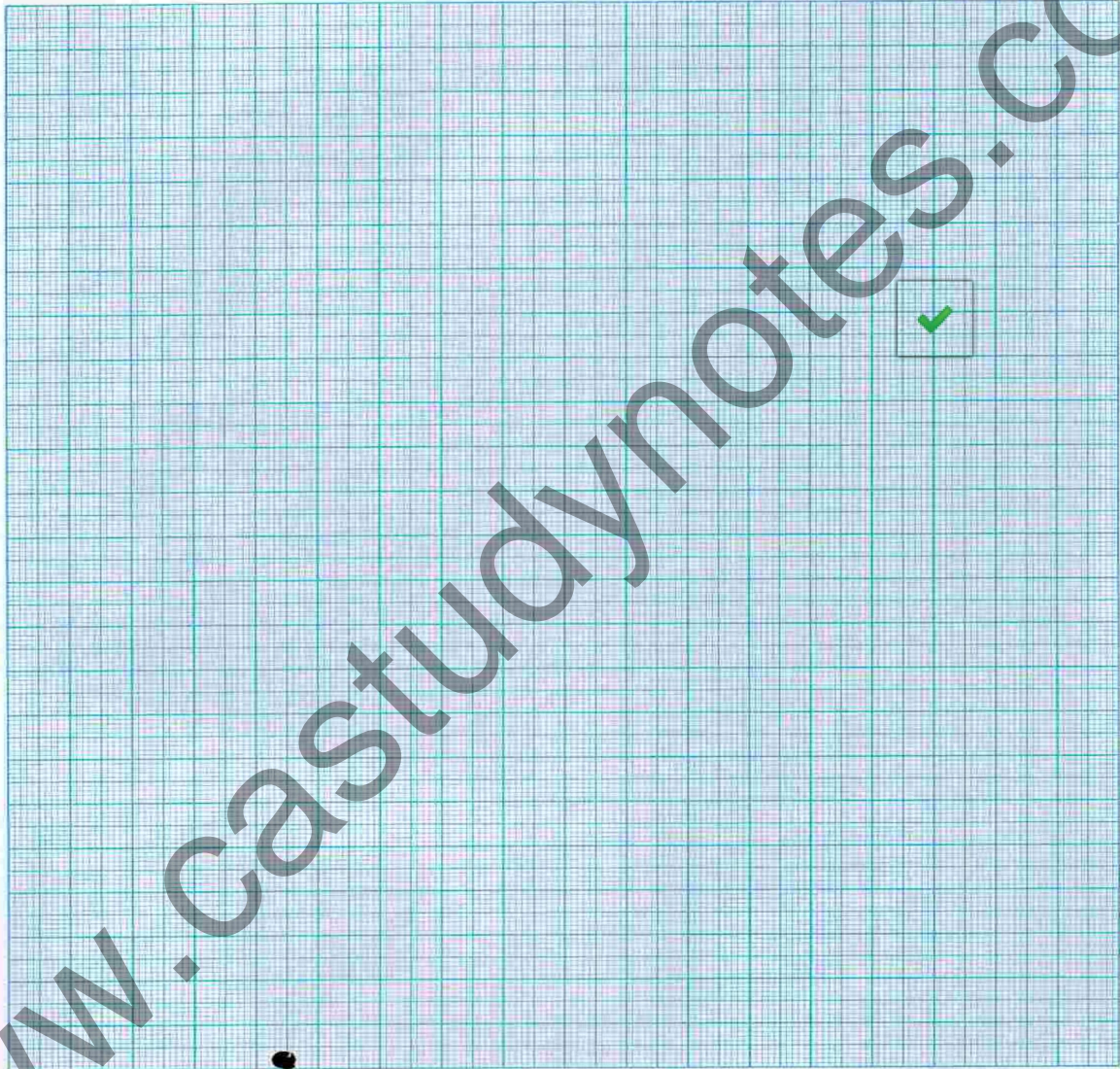




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Result Overview

Awarded Marks: 60

Max Marks:70

NA Not Attempted

O Optional

M Marked

Q1\_Compulsory (Score: 12.5/14 )

Question No	Awarded Marks	Maximum Marks	Status
1	12.5	14	M

Q2\_Q6 (Score: 47.5/56 )

Question No	Awarded Marks	Maximum Marks	Status
2	12.5	14	M
2a	4.5	5	M
2b	4	5	M
2c	4	4	M
3	13	14	M
3a	5	5	M
3b	5	5	M
3c	3	4	M
4	11	14	M
4a	4	5	M
4b	3	5	M
4c	4	4	M
5	11	14	M
5a	4	5	M
5b	4.5	5	M
5c	2.5	4	M
6	0	14	O
6a	0	6	O
6b	0	4	O
6c	0	4	O