

**CA - FINAL
GROUP II - PAPER 8
INDIRECT TAX LAWS
May 2020 (Series 4)**

Roll No.
Time Allowed: - 3 Hours

Date :07.04.2020
Maximum Marks: 100

**Division A : MCQ
Use OMR sheet for Objective answers.**

Pick out the correct answer out of the followings:

Mr. George, a registered supplier of goods at Kerala who pays GST under regular scheme, has made the following transactions (exclusive of tax) during April 20XX:

Source	Purchases(₹)	Sales (₹)	Tax Rate
New Delhi	5,00,000	10,00,000	18%
Trivandrum	2,50,000	8,00,000	9%each for SGST& CGST
Total	7,50,000	18,00,000	

He has complied with all the conditions for availing the ITC and has the following ITC credit on 01-04-20XX:

Source	Taxes (₹)	Interest (₹)	Penalty (₹)
CGST	50,000	1500	500
SGST	30,000	1500	500
IGST	1,00,000	2000	500

In the light of above facts, you are required to answer the following

1. **Compute the eligible amount of ITC of CGST of Mr. George during April 20XX** **1**
 (a) Rs. 72,500 (b) Rs. 52,500
 (c) Rs. 1,90,000 (d) Rs. Nil.
2. **Compute the eligible amount of ITC of SGST of Mr. George during April 20XX** **1**
 (a) Rs. 72,500 (b) Rs. 52,500
 (c) Rs. 1,90,000 (d) Rs. Nil.
3. **Compute the eligible amount of ITC of IGST of Mr. George during April 20XX** **1**
 (a) Rs. 72,500 (b) Rs. 52,500
 (c) Rs. 1,90,000 (d) Rs. Nil.

4. **Compute the net CGST payable in cash by Mr. George during April 20XX** 1
 (a) Rs. 72,500 (b) Rs. 52,500
 (c) Rs. 1,90,000 (d) Rs. Nil.
5. **Compute the net SGST payable in cash by Mr. George during April 20XX** 1
 (a) Rs. 2,500 (b) Rs. 9,500
 (c) Rs. 10,000 (d) Rs. Nil.

XYZ Pvt. Ltd. is a manufacturing company registered under GST in the State of Uttar Pradesh. It manufactures two taxable products 'Alpha' and 'Beta' and one exempt product 'Gama'. On 1st October 20XX, while product 'Beta' got exempted through an exemption notification, exemption available on 'Gama' got withdrawn on the same date. The turnover (exclusive of taxes) of 'Alpha', 'Beta' and 'Gama' in the month of October, 20XX was ₹ 9,00,000, ₹ 10,00,000 and ₹ 6,00,000.

XYZ Pvt. Ltd. has furnished the following details:

S. No.	Particulars	Price (₹)	GST (₹)
(a)	Machinery 'U' purchased on 01.10.20XX for being used in manufacturing all the three products	2,00,000	36,000
(b)	Machinery 'V' purchased on 01.10.20XX for being used in manufacturing product 'Alpha' and 'Gama'	1,00,000	18,000
(c)	Machinery 'W' purchased on 01.10.20XX for being exclusively used in manufacturing product 'Beta'	3,00,000	54,000
(d)	Machinery 'X' purchased on October 1, three years before 01.10.20XX for being exclusively used in manufacturing product 'Gama'. From 01.10.20XX, such machinery will also be used for manufacturing product 'Beta'.	5,00,000	90,000
(e)	Machinery 'Y' purchased on October 1, four years before 01.10.20XX for being exclusively used in manufacturing product 'Beta'. From 01.10.20XX, such machinery will also be used for manufacturing product 'Gama'.	4,00,000	72,000
(f)	Machinery 'Z' purchased on October 1, two years before 01.10.20XX for being used in manufacturing all the three products	3,00,000	54,000
(g)	Raw Material used for manufacturing 'Alpha' purchased on 05.10.20XX	1,50,000	27,000
(h)	Raw Material used for manufacturing 'Beta' purchased on 10.10.20XX	2,00,000	36,000
(i)	Raw Material used for manufacturing 'Gama' purchased on 15.10.20XX	1,00,000	18,000

Note: Assume that all the procurements made by the company are from States other than Uttar Pradesh. Similarly, the company sells all its products in States other than Uttar Pradesh. Rate of IGST is 18%. All the conditions necessary for availing the ITC have been complied with. Ignore interest, if any and make suitable assumptions wherever required. In the light of above facts, you are required to answer the following

6. **Amount of input tax credit (ITC) credited to Electronic Credit Ledger for the month of October, 20XX.** 2
 (a) Rs. 1,35,000 (b) Rs. 86,400
 (c) Rs. 1,35,936 (d) Rs. 936
7. **Amount of common credit for the month of October, 20XX** 2
 (a) Rs. 72,500 (b) Rs. 86,400
 (c) Rs. 1,35,936 (d) Rs. 936
8. **Common credit attributable to exempt supplies for the month of October, 20XX** 2
 (a) Rs. 72,500 (b) Rs. 1,35,936
 (c) Rs. 1,90,000 (d) Rs. 936
9. **GST liability of the company payable through Electronic Cash Ledger for the month of October, 20XX** 2
 (a) Rs. 72,500 (b) Rs. 1,35,936
 (c) Rs. 1,90,000 (d) Rs. 936
10. **Patanjali, an entity registered under section 12AA of the Income-tax Act, 1961, has furnished you the following details with respect to the activities undertaken by it. You are required to compute its GST liability from the information given below:** 1

Particulars	(₹)
Fees charged for yoga camp conducted by the trust	6,00,000
Amount received for advancement of educational programmes relating to abandoned, orphaned or homeless children	10,50,000
Amount received for renting of commercial property owned by the trust	35,00,000
Payment made for the services received from a service provider located in England, for the purposes of providing 'charitable activities'	10,00,000
Amount received for activities relating to preservation of forests and wildlife	12,35,000

GST have been charged separately wherever applicable. Rate of GST is 18%.

- | | |
|------------------|-------------------|
| (a) Rs. 8,10,000 | (b) Rs. 6,30,000 |
| (c) Rs. 9,99,000 | (d) Rs. 10,32,300 |

11. A machine has to be supplied at site. It is done by sourcing various components from vendors and assembling the machine at site. The details of the various events are: 1

17 th September	Purchase order with advance of ₹ 50,000 is received for goods worth ₹ 12 lakh and entry duly made in the seller's books of account
20 th October	The machine is assembled, tested at site, and accepted by buyer
23 rd October	Invoice raised
4 th November	Balance payment of ₹ 11,50,000 received

Determine the time of supply(ies) in the above scenario

- (a) 17th September (b) 20th October
(c) 23rd October (d) 4th November
12. XYZ Ltd. is engaged in providing services of booking of tickets for travel by air. It discharges its GST liability at special rates provided under rule 32 (3) of the CGST Rules, 2017. Compute its Value of supply for the month of January, 20XX with the help of following particulars furnished by it: 1

Particulars	Basic fare as per rule 32(3) of CGST Rules	Other charges and fee (₹)	Taxes (₹)	Total value of tickets (₹)
Domestic Bookings	1,15,400	11,200	5,260	1,31,860
International Bookings	4,00,200	22,150	13,380	4,35,730

- (a) Rs. 8,242 (b) Rs. 45,790
(c) Rs. 50,166 (d) Rs. 4121
13. Alok Pvt. Ltd., a registered manufacturer, sent steel cabinets worth ₹ 50 lakh under a delivery challan to M/s Prem Tools, a registered job worker, for job work on 28.01.20XX. The scope of job work included mounting the steel cabinets on a metal frame and sending the mounted panels back to AlokPvt. Ltd. The metal frame is to be supplied by M/s Prem Tools. M/s Prem Tools has agreed to a consideration of ₹ 5 lakh for the entire mounting activity including the supply of metal frame. During the course of mounting activity, metal waste is generated which is sold by M/s. Prem Tools for ₹ 45,000. M/s Prem Tools sent the steel cabinets mounted on the metal frame to AlokPvt. Ltd. on 03.12.20XX in the same financial year. 1

Assuming GST rate for metal frame as 28%, for metal waste as 12% and standard rate for services as 18%, you are required to compute the GST liability of M/s Prem Tools.

- (a) Rs. 5,400 (b) Rs. 95,400
(c) Rs. 14,95,400 (d) Rs. 90,000

14. Mr. Anant Kumar Gupta self-assessed his tax liability as ₹ 90,000 for the month of April 20XX but failed to make the payment. Subsequently the Department initiated penal proceedings against Mr. Anant Kumar Gupta for recovery of penalty under section 73 of CGST Act, 2017 for failure to pay GST and issued show cause notice on 10 - 08-20XX which was received by Mr. Anant Kumar Gupta on 14 -08- 20XX.
Mr. Anant Kumar Gupta deposited the tax along with interest on 25/08/20XX and informed the department on the same day Department is contending that he is liable to pay a penalty of ₹ 45,000 (i.e. 50% of 90000).
Find out the penalty amount levy by department As per section 73 of the CGST Act, 2017.
- (a) Rs. 45,000 (b) Rs. 10,000
(c) Rs. 90,000 (d) Rs. 9,000

15. M/s Heeralal and Sons registered in Karnataka has opted to avail the benefit of composition scheme. It has furnished the following details for the tax period ended on 30-06-20XX

S. No.	Items	₹
(i)	Taxable turnover of goods within the State	15,00,000
(ii)	Exempted turnover of goods within the State	17,00,000
	Total Turnover	32,00,000

Using the above information, calculate tax to be paid by the firm for the tax period ended on 30.06.20XX

If M/s Heeralal and Sons is a manufacturer

- (a) ₹ 32,000 [CGST = ₹ 16,000 and SGST = ₹ 16,000]
(b) ₹ 15,000 [CGST = ₹ 7,500 and SGST = ₹ 7,500]
(c) ₹ 75,000 [CGST = ₹ 37,500 and SGST = ₹ 37,500]
(d) Not eligible for composition scheme
16. SUN Ltd. Exported some goods to Switzerland. Compute the export duty payable by it from the following information available:
- (i) Assessable value UK pound 55,000.
(ii) Shipping bill presented electronically on 26.02.20XX
(iii) Proper officer passed order permitting clearance and loading of goods for export on 04.03.20XX.
(iv) Rate of export duty are as under:

Particulars	Date	Exchange rate notified by CBIC	Exchange rate notified by RBI	Rate of export duty
Date of presentation of shipping bill	04.03.20XX	₹ 100 per UK pound	₹ 90 per UK pound	8%
Date of entry outwards	26.02.20XX	₹ 85 per UK pound	₹ 87 per UK pound	10%

- (a) Zero "0" (b) Rs. 4,40,000
(c) Rs. 55,00,000 (d) Exempt

- 17. SUN Ltd have imported machinery from US worth \$ 10,000. Determine the Import customs duty from the following additional information:** **2**

Particulars	Date	Exchange rate as notified by CBIC	Exchange rate as notified by RBI	Rate of export duty
Date of bill of entry	24.10.20XX	68 per US dollar	69 per US dollar	10%
Date of entry inward	20.10.20XX	70 per US dollar	71 per US dollar	12%

- (a) Rs. 81,600 (b) Rs. 68,000
(c) Rs. 84,000 (d) Rs. 70,000

- 18. Outline the stepwise procedure of import of goods into India.** **1**

- i. Filing of Import General Manifest
- ii. Arrival of vessel
- iii. Grant of entry inwards to vessel
- iv. Unloading of goods
- v. Assessment of goods
- vi. Filing of Bill of Entry
- vii. Payment of duty

- (a) (i), (ii), (iii), (iv), (v), (vi) and (vii)
(b) (ii), (iii), (i), (iv), (v), (vi) and (vii)
(c) (iii), (ii), (i), (vi), (v), (vii) and (iv)
(d) (ii), (i), (iii), (iv), (vi), (v) and (vii)

- 19. Which of the following statements is/are correct for 'similar goods' for valuation purposes under the Customs Act, 1962?** **1**

- (i) Similar goods although not alike in all respects, have like characteristics and like component materials which enable them to perform the same functions and to be commercially interchangeable with the goods being valued having regard to the quality, reputation and the existence of trade mark.
- (ii) Similar goods are necessarily produced in the country in which goods being valued were produced.
- (iii) Similar goods are necessarily produced by the same person who produced the goods being valued.

- (a) (i) and (ii) (b) Only (i)
(c) (i) and (iii) (d) All of above

20. Which of the following statements is/are correct for safeguard duty under section 8B of the Customs Tariff Act, 1975? 1

- (i) Safeguard duty is imposed on articles which are imported in increased quantities.
- (ii) Such increased importation is causing or threatening to cause serious injury to domestic market.
- (iii) Safeguard duty can be imposed for a period of 4 years and the period of imposition can be extended. However, in no case the safeguard duty shall continue to be imposed beyond a period of 10 years from the date on which it was first imposed.
- (iv) Safeguard duty can be imposed provisionally also pending final determination of duty.

(a) (i), (ii) and (iii) (b) Only (i) and (iv)
(c) None of above (d) All of above

21. Which of the following statements is not correct for pilfered goods under section 13 of the Customs Act, 1962? 1

- (a) The importer is not required to pay duty on imported goods which are pilfered after unloading but before being cleared for home consumption.
- (b) The importer is not required to pay duty on warehoused goods which are pilfered before being cleared for home consumption.
- (c) The onus to prove the pilferage does not lie on the importer.
- (d) If pilfered goods are restored to the importer, he becomes liable to pay duty.

22. Which of the following is not correct in relation to claim of duty drawback under section 75 of the Customs Act, 1962? 1

- i. The upper limit for drawback is one third of market price of export product.
- ii. Countervailing duties and safeguard duties are included in all industry rates of drawback.
- iii. Countervailing duties and safeguard duties are included while determining all industry rates of drawback and thus can be claimed in application for fixing brand rate.
- iv. Provisions of section 75 are not applicable on goods exported by post.

(a) (i), (ii) and (iv) (b) (i), (iii) and (iv)
(c) (ii) and (iv) (d) (iii) and (iv)

Division "B" : Descriptive Questions
Question No. 1 is compulsory.
Attempt any four questions from the rest.

Marks 70

- 1** BC Ltd., registered in Noida (Uttar Pradesh) is a supplier of machinery used for making bottle caps. The supply of machinery is effected as under: **14**
- The wholesale price of the machinery (excluding all taxes and other expenses) at which it is supplied in the ordinary course of the business to various customers is ₹ 42,00,000. However, the actual price at which the machinery is supplied to an individual customer varies within a range of ± 10% depending upon the terms of contract of supply with the particular customer.
 - Apart from the price of the machinery, ABC Ltd. charges from the customer the following incidental expenses:
 - ♦ associated handling and loading charges of ₹ 10,000
 - ♦ installation and commissioning charges of ₹ 1,00,000

The machinery can be dismantled and erected at another site, if required.
 The above charges are compulsorily levied in every case of supply of machinery.
 - Transportation of machinery to the customer's premises is arranged by ABC Ltd. through a third-party service provider [Goods Transport Agency (GTA)]. The customer enters into a separate service contract with the GTA and pays the freight directly to it.
 - The company provides one year free warranty for the machinery. Further, the company also provides an extended two-year warranty on payment of additional charge of ₹ 3,00,000, to all its customers.
 A cash discount of 2% on the price of the machinery is offered at the time of supply, if the customer agrees to make the payment within 15 days of the receipt of the machinery at his premises. In the event of failure to make the payment within the stipulated time, the company-
 - ♦ recovers the discount given; and
 - ♦ charges interest @ 1% per month or part of the month on the total amount due from the customer (towards the machinery supplied) from the date of making the supply till the date of payment. However, no interest is charged on the tax dues.
 - For every machinery supplied, ABC Ltd. receives a grant of ₹ 2,00,000 from its holding company DEF Ltd.
 ABC Ltd. has supplied a machinery to D Pvt. Ltd. on August 1, 20XX at a price of ₹ 40,00,000 (excluding all taxes). D Pvt. Ltd. has its corporate office in New Delhi. However, the machinery has been installed at its manufacturing unit located in Gurugram (Haryana). D Pvt. Ltd. has paid the freight directly to the GTA and the charges for two-year extended warranty. Discount @ 2% was given to D Pvt. Ltd. as it agreed to make the payment within 15 days. However, D Pvt. Ltd. paid the consideration on 31st October, 20XX.

- Assume the rates of taxes to be as under:

Bottle cap making machine		
CGST – 6%	SGST – 6%	IGST – 12%
Service of transportation of goods		
CGST – 2.5%	SGST – 2.5%	IGST – 5%
Other services involved in the above supply		
CGST – 9%	SGST – 9%	IGST – 18%

Calculate the GST payable [CGST & SGST or IGST, as the case may be] on the machinery and support your conclusions with legal provisions in the form of explanatory notes.

Make suitable assumptions, wherever needed

- 2(a)** 'All-in-One Store' is a chain of departmental store having presence in almost all metro cities across India. Both exempted as well as taxable goods are sold in such Stores. The Stores operate in rented properties. All-in-One Stores pay GST under regular scheme. 9
- In Mumbai, the Store operates in a rented complex, a part of which is used by the owner of the Store for personal residential purpose.
- All-in-One Store, Mumbai furnishes following details for the month of October, 20XX:
- (i) Aggregate value of various items sold in the Store:
 Taxable items – ₹ 42,00,000
 Items exempted vide a notification – ₹ 12,00,000
 Items not liable to GST – ₹ 3,00,000
 - (ii) Mumbai Store transfers to another All-in-One Store located in Goa certain taxable items for the purpose of distributing the same as free samples. The value declared in the invoice for such items is ₹ 5,00,000. Such items are sold in the Mumbai Store at ₹ 8,00,000.
 - (iii) Aggregate value of various items procured for being sold in the Store:
 Taxable items – ₹ 55,00,000
 Items exempted vide a notification – ₹ 15,00,000
 Items not liable to GST – ₹ 5,00,000
 - (iv) Freight paid to goods transport agency (GTA) for inward transportation of taxable items – ₹ 1,00,000
 - (v) Freight paid to GTA for inward transportation of exempted items – ₹ 80,000
 - (vi) Freight paid to GTA for inward transportation of non-taxable items – ₹ 20,000
 - (vii) Monthly rent payable for the complex – ₹ 5,50,000 (one third of total space available is used for personal residential purpose).
 - (viii) Activity of packing the items and putting the label of the Store along with the sale price has been outsourced. Amount paid for packing of all the items – ₹ 2,50,000
 - (ix) Salary paid to the regular staff at the Store – ₹ 2,00,000
 - (x) GST paid on inputs used for personal purpose – ₹ 5,000
 - (xi) GST paid on rent a cab services availed for business purpose – ₹ 4,000.
 - (xii) GST paid on items given as free samples – ₹ 4,000

Given the above available facts, you are required to compute the following:

- A. Input tax credit (ITC) credited to the Electronic Credit Ledger
- B. Common Credit
- C. ITC attributable towards exempt supplies out of common credit
- D. Eligible ITC out of common credit
- E. Net GST liability for the month of October, 20XX

Note:

- (1) Wherever applicable, GST under reverse charge is payable @ 5% by All-in-One Stores. Rate of GST in all other cases is 18%.
- (2) All the sales and purchases made by the Store are within Maharashtra. All the purchases are made from registered suppliers. All the other expenses incurred are also within the State.
- (3) Wherever applicable, the amounts given are exclusive of taxes.
- (4) All the necessary conditions for availing the ITC have been complied with.

- 2(b)** Mr. X imported certain goods from a related person Mr. Q of US and transaction value has been rejected. Rules 4 and 5 of the Import Valuation Rules are found inapplicable as no similar/ identical goods are imported in India. Mr. X furnishes cost related data of imports and requests customs authorities to determine value accordingly as per rule 8. The relevant data are **5**
- 1. Cost of materials incurred by Mr. Q \$ 2000
 - 2. Fabrication charges incurred by Mr. Q \$ 1000
 - 3. Other chargeable expenses incurred by Mr. Q \$ 400
 - 4. Other indirect costs incurred by Mr. Q \$ 250
 - 5. Freight from Mr. Q 's factory to US port \$ 250
 - 6. Loading charges at US port \$ 100
 - 7. Normal net profit margin of Mr. Q is 20% of FOB
 - 8. Air freight from US port to Indian port \$ 1,500
 - 9. Insurance from US port to Indian port \$ 50
 - 10. Exchange rate ₹ 70 per \$
- The customs authorities are of the opinion that since value as per rule 7 can be determined at ₹ 4,00,000, there is no need to apply rule 8.
Can the request of Mr. X be legally acceptable? If so, compute the assessable value under the Customs Act, 1962.

- 3 (a)** **Manipal Health System (P) Ltd**, a Multi-speciality hospital, is a registered supplier in Mumbai. It hires senior doctors and consultants independently, without entering into any employer-employee agreement with them. These doctors and consultants provide consultancy to the in-patients - patients who are admitted to the hospital for treatment – without there being any contract with such patients. In return, they are paid the consultancy charges by **Manipal Health System (P) Ltd**. **5**

However, the money actually charged by **Manipal Health System (P) Ltd** from the in-patients is higher than the consultancy charges paid to the hired doctors and consultants. The difference amount retained by the hospital, i.e. retention money, includes charges for providing ancillary services like nursing care, infrastructure facilities, paramedic care, emergency services, checking of temperature, weight, blood pressure, etc.

Further, **Manipal Health System (P) Ltd** has its own canteen – Annapurna Bhawan - which supplies food to the in-patients as advised by the doctor/nutritionists as also to other patients (who are not admitted) or their attendants or visitors.

The Department took a stand that senior doctors and consultants are providing services to Manipal Health System (P) Ltd and not to the patients. Hence, their services are not the health care services and must be subject to GST. Further, GST is applicable on the retention money kept by **Manipal Health System (P) Ltd** as well as on the services provided by its canteen - Annapurna Bhawan alleging that such services are not the health care services.

You are required to examine whether the stand taken by the Department is correct provided the services provided by **Manipal Health System (P) Ltd** are intra-State services.

- 3(b)** Chiku Traders is a registered supplier of plastic goods. On 10th April, 20XX, Chiku Traders received an order from Neelu Traders for supply of a consignment of plastic goods. Chiku Traders gets the consignment ready by 15th April, 20XX. The invoice for the consignment was issued the next day, 16th April, 20XX. Neelu Traders collects the consignment from the godown of Chiku Traders on 25th April, 20XX and hands over the cheque towards payment on the same date. The said payment is entered in the books of accounts of Chiku Traders on 26th April, 20XX and amount is credited in their bank account on 27th April, 20XX. Determine the time of supply of the plastic goods supplied by Chiku Traders to Neelu Traders as per the provisions of CGST Act, 2017 **4**
- 3(c)** Kankan Corp had imported a machine from USA for ₹ 365 lakh on payment of appropriate customs duty in February. However, in July, the machine had to be sent back to the supplier for repair (not amounting to manufacture) from the factory of Kankan Corp. This machine was repaired and thereafter, re-imported by Kankan Corp in November next year. The supplier has agreed to provide discount of 60% of the fair cost of repairs, resulting in Kankan Corp paying USD 12,000. **5**

Following further particulars are available:

Particulars	Date	Rate of Duty	Inter Bank Exchange rate	Rate notified by CBEC
Bill of Entry	21 st February	12%	61.40	62
Aircraft arrival	26 th February	15%	62.50	63.25

Integrated tax is leviable @ 12%.

	Outwards (Amt. in ₹)	Inwards (Amt. in ₹)
Insurance	23,000	27,000
Air Freight	93,500	1,06,500

Determine total duty payable with appropriate notes for your computation assuming that Kankan Corp is not an EOU

- 4(a)** Super Engineering Works, a registered supplier in Haryana, is engaged in supply of taxable goods within the State. Given below are the details of the turnover and applicable GST rates of the final products manufactured by Super Engineering Works as also the input tax credit (ITC) availed on inputs used in manufacture of each of the final products and GST rates applicable on the same, during a tax period **5**

Products	Turnover* (₹)	Output GST Rates	ITC availed (₹)	Input GST Rates
A	500,000	5%	54,000	18%
B	350,000	5%	54,000	18%
C	100,000	18%	10,000	18%

*excluding GST

Determine the maximum amount of refund of the unutilized input tax credit that Super Engineering Works is eligible to claim under section 54(3)(ii) of the CGST Act, 2017 provided that Product B is notified as a product, in respect of which no refund of unutilised input tax credit shall be allowed under said section

- 4(b)** Bedi Manufacturers, a registered person, instructs its supplier to send the capital goods directly to Rajesh Enterprises, who is a job worker, outside its factory premises for carrying out certain operations on the goods. The goods were sent by the supplier on 10-04-20XX and were received by the job worker on 15-04-20XX. Rajesh Enterprises carried out the job work, but did not return the capital goods to their principal **4**
- Bedi Manufacturers. Discuss whether Bedi Manufacturers are eligible to retain the input tax credit availed by them on the capital goods. What action under the GST Act is required to be taken by Bedi Manufacturers.

What would be your answer if in place of capital goods, jigs and fixtures are supplied to the job worker and the same has not been returned to the principal?

- 4(c)** Mr. Samuel, a US resident aged 35 years, has come to India on a tourist visa for a month-long vacation. He carries with him, as part of baggage, the following: **5**

Particulars	Value in ₹
Travel souvenirs	85,000
Other articles carried on in person	1,50,000
80 sticks of cigarettes of ₹ 100 each	8,000
30 cartridges of fire arms valuing ₹ 500 each	15,000
One litre wine	15,000

With reference to the Baggage Rules, 2016, determine whether Mr. Samuel will be required to pay any customs duty?

- 5(a)** In an order dated 20.08.20XX issued to GH (P) Ltd., the Joint Commissioner of CGST has confirmed a CGST demand of ₹ 280 crore. The company is disputing the entire demand of CGST and wants to know how much pre-deposit it has to make under the CGST Act, 2017 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, how much pre-deposit it has to make under the CGST Act, 2017 for filing the said appeal? **5**
- 5(b)** Briefly explain the procedure to be followed by the Authority for Advance Ruling on receipt of the application for Advance Ruling under section 98 of CGST Act, 2017 **4**
- 5(c)** With reference to section 9A(1A) of the Customs Tariff Act, 1975, mention the ways that constitute circumvention of antidumping duty imposed on an article which may warrant action by the Central Government. **5**
- 6(a)** Answer the following questions: **4**
- Shagun started supply of services in Vasai, Maharashtra from 01.01.20XX. Her turnover exceeded ₹ 20 lakh on 25.01.20XX. However, she didn't apply for registration. Determine the amount of penalty, if any, that may be imposed on Shagun on 31.03.20XX, if the tax evaded by her, as on said date, on account of failure to obtain registration is ₹ 1,26,000.
 - Sagar, managing director of Telecom Solutions Ltd., is issued a summon to appear before the central tax officer to produce the books of accounts of Telecom Solutions Ltd. in an inquiry conducted on said company. Determine the amount of penalty, if any, that may be imposed on Sagar, if he fails to appear before the central tax officer

- 6(b)** Rajul Subharti Enterprises collected GST on the goods supplied by it from its customers on the belief that said supply is taxable. However, later it discovered that goods supplied by it are exempt from GST. **5**
 The The accountant of Subharti Enterprises advised it that the amount mistakenly collected by Subharti Enterprises representing as tax was not required to be deposited with Government. Subharti Enterprises has approached you for seeking the advice on the same. You are required to advise it elaborating the relevant provisions.
- OR**
- Shubhlaxmi Foods is engaged in supplying restaurant service in Maharashtra. In the preceding financial year, it has a turnover of ₹ 140 lakh from the restaurant service. You are required to advise Shubhlaxmi Foods whether it is eligible for composition scheme in the current year assuming that in the current financial year, his turnover is expected to be ₹ 130 lakh from supply of restaurant services and ₹ 10 lakh from the supply of farm labour in said State. Further, it also expects to earn bank interest of ₹ 20 lakh from the fixed deposits. **5**
 Also compute the estimated tax payable by Shubhlaxmi Foods in the current FY.
- 6(c)** (i) A star export house wishes to import goods which are exempt from duty under Foreign Trade Policy (FTP), subject to fulfilment of export obligation. However, Customs Notification giving effect to the FTP is yet to be issued. Can the export house import the goods claiming exemption from duty under FTP in the absence of Customs Notification? **5**
 (ii) Give examples of categories of exports/sectors which are ineligible for duty credit scrip entitlement under MEIS.