

Mock Test Paper - Series II: April, 2025

Date of Paper: 11th April, 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

Mr. Samrat, proprietor of M/s Corporate-Linc Enterprises, is engaged in trading of office stationery items in its stationery store located at Salt Lake City, Kolkata. The said store is taken on lease from Kolkata Municipal Corporation (KMC).

During the previous financial year, the turnover of M/s Corporate-Linc Enterprises was ₹ 14 lakh. Mr. Samrat supplies goods within the State of West Bengal only, but purchases stationery items mostly from Delhi & Mumbai. He owns a duplex house in New Town, Kolkata. He stays on the ground floor & has let out the first floor to an employee of IDICI Bank, registered in Delhi, for residential purposes. The rent for the same is paid by IDICI Bank to Mr. Samrat.

During the financial year 2024-25, he applied for GST registration on voluntary basis on 2nd April, 2024 and the registration was granted to him w.e.f. 9th April, 2024.

The details of his stock position during current financial year is as under:

Particulars	2 nd April, 2024	8 th April, 2024
Corporate stationery items purchased from a registered dealer	₹ 1 lakh	₹ 1 lakh
Books, periodicals, journals, newspaper, maps etc.	₹ 0.20 lakh	₹ 0.30 lakh

The details of transactions carried out by Mr. Samrat during the current financial year is furnished hereunder:

Particulars	1 st April, 2024 to 8 th April, 2024 (₹ in lakh)	9 th April, 2024 to 31 st March, 2025 (₹ in lakh)
Sale of office stationery items (Intra-State supply to registered persons)	3	84
Sale of office stationery items (Intra-State supply to unregistered persons)	2	14
Legal fees paid to advocate in Kolkata	-	0.10
Purchase of stationery items (Intra-State supply received from registered person)	3	74
Purchase of furniture for use in own office (from an unregistered dealer of Kolkata)	-	1
Purchase of stationery items from a registered dealer of Delhi	1	18
Lease rent of the stationery store paid to Kolkata Municipal Corporation (KMC)	-	1.20
Transportation charges paid to M/s Gati Transporters, a GTA in Kolkata, who has not exercised the option to pay tax itself (tax is payable @ 5%)	0.10	1.50
Interest paid on borrowings from BBI Bank, Kolkata	0.20	1.80
Accrued interest on Fixed deposit with BBI Bank, Kolkata	-	0.16
Rent received from IDICI Bank for its employee	-	2.40

Mr. Samrat went to Mumbai, Maharashtra for a business meeting in February, 2025 and stayed in Hotel Blue Pines for a week. Hotel charged ₹ 1,00,000 (taxable value) for the stay.

All the amounts given above are exclusive of GST, wherever applicable, unless otherwise provided. Assume that there is no other outward or inward supply transaction apart from

aforesaid transactions in the current financial year. GST is applicable on all inward and outward supplies, except on services of transportation of goods, at the following rates:

- I. Intra-State supply – 6% CGST and 6% SGST
- II. Inter-State supply – 12% IGST

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

1. The value of outward supply tax on which GST is payable by Mr. Samrat for the financial year 2024-25 is _____.
 - (a) ₹ 98 lakh
 - (b) ₹ 100.40 lakh
 - (c) ₹ 102.40 lakh
 - (d) ₹ 108 lakh
2. Which of the following statements is correct in terms of the facts of the case scenario given above?
 - (a) Mr. Samrat cannot opt to pay tax in the FY – 2025-26 under composition scheme under section 10(1) and 10(2) of the CGST Act, 2017.
 - (b) Mr. Samrat is entitled to take the ITC of inputs held in stock on 1st April, 2024.
 - (c) Mr. Samrat shall be liable to pay GST under reverse charge under section 9(4) of the CGST Act during the financial year 2024-25 in respect of purchases made from unregistered persons.
 - (d) Mr. Samrat is entitled to take the ITC of inputs held in stock on 8th April, 2024.
3. The value of supply on which Mr. Samrat is liable to pay GST under reverse charge for the financial year 2024-25 is _____.
 - (a) ₹ 1,60,000
 - (b) ₹ 2,80,000
 - (c) ₹ 1,30,000
 - (d) ₹ 2,70,000
4. Which of the following inward supply is not subject to payment of tax under reverse charge mechanism?
 - (i) Shop rent paid to KMC

- (ii) Legal fee paid to advocate
- (iii) Purchase of stationery items from unregistered person
- (iv) Transportation charges paid to M/s Gati Enterprises

Choose the most appropriate option.

- (a) (i) and (ii)
 - (b) (iii)
 - (c) (ii) and (iii)
 - (d) (i) and (iii)
5. Whether input tax credit is available on the GST paid by Mr. Samrat on the taxable value of ₹ 1,00,000 charged by Hotel Blue Pines located in Mumbai, Maharashtra, for his stay? If yes, please specify the amount of input tax credit available.
- (a) Yes, ₹ 3,000 - CGST and ₹ 3,000 - SGST
 - (b) Yes, ₹ 12,000 - IGST
 - (c) Yes, ₹ 6,000 - CGST and ₹ 6,000 - SGST
 - (d) No input tax credit is available.

(5 X 2 Marks= 10 Marks)

Case scenario 2

Mr. Anshul, registered under GST, is a practicing Chartered Accountant who is supplying the service in the field of auditing and assurance. His earnings during the current financial year are as follows-

- 1. Income from the auditing and assurance service provided during the year- ₹ 1,86,00,000
- 2. Income for acting as an examiner from the ICAI and ICSI (not on their rolls) in the month of June - ₹ 2,50,000
- 3. Rental income from a commercial property, during the year- ₹ 13,90,000

Further, in the month of April, Mr. Anshul purchased 10 computers at a price of ₹ 25,000 each, for his office as new staff has been recruited by his HR team and had availed and utilized ITC on the same.

On 31st October, out of these 10 computers, Mr. Anshul donated 2 computers to a blind school within the State. Open market value of each of these computers, on 31st October, is ₹ 10,000.

Mr. Anshul belatedly filed GSTR-3B for the month of December, by 5 days. Net tax liability for the month of December was ₹ 1,80,000 and gross tax liability for the month was ₹ 2,00,000. Applicable rate of tax on all supplies was 18%.

Note:

1. All the above amounts are exclusive of taxes, wherever applicable.
2. The opening balance of input tax credit of Mr. Anshul for the relevant tax period(s) is nil. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled.
3. Mr. Anshul furnishes return on a monthly basis.

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. Assuming that the current financial year is the financial year 2023-24, Mr. Anshul is required to maintain and retain the books of accounts for said financial year under the GST law up to_____.
 - (a) 31st December 2029
 - (b) 31st December 2030
 - (c) 31st December 2031
 - (d) 31st December 2032
7. Aggregate turnover of Mr. Anshul for the current financial year is_____.
 - (a) ₹ 2,02,50,000
 - (b) ₹ 2,02,90,000
 - (c) ₹ 2,02,65,000
 - (d) ₹ 2,02,60,000
8. Total taxable turnover of Mr. Anshul for the current financial year is _____.
 - (a) ₹ 2,00,10,000
 - (b) ₹ 2,00,40,000
 - (c) ₹ 2,02,60,000
 - (d) ₹ 2,02,50,000
9. Which of the following transactions/activities are considered as supply under GST law?
 - (i) Service provided as an examiner to ICAI and ICSI
 - (ii) Rental income

- (iii) Donation of computers to blind school without consideration
 - (a) (i) and (ii)
 - (b) (ii) and (iii)
 - (c) (i) and (iii)
 - (d) (i), (ii) and (iii)
10. Which of the following statement(s) is correct with respect to interest liability of Mr. Anshul, for the month of December? Consider the year to be of 365 days.
- (a) Interest liability of Mr. Anshul is ₹ 444 and he can pay the same either from input tax credit available in electronic credit ledger or in cash.
 - (b) Interest liability of Mr. Anshul is ₹ 444 and he cannot utilize the input tax credit for the payment of interest. He needs to pay the interest in cash.
 - (c) Interest liability of Mr. Anshul is ₹ 493 and he can pay the same from input tax credit available in electronic credit ledger or in cash.
 - (d) Interest liability of Mr. Anshul is ₹ 493 and he cannot utilize the input tax credit for the payment of interest. He needs to pay the interest in cash.

(5 X 2 Marks = 10 Marks)

Case scenario 3

Shivam Traders is a partnership firm in Jaipur, Rajasthan. The firm has obtained GST registration at its Head Office (HO) in Jaipur and is a monthly return filer. Further, the firm is having its depot for storage of goods in other districts in Rajasthan. The depots are added as additional place of business in the GST registration obtained at HO. Following details are provided about the firm for the month of July:

- a. Shivam Traders received goods worth ₹ 5,00,000 for which GST is payable on reverse charge basis. The goods were received on 25th July. The supplier issued an invoice dated 24th July and payment for the same was debited in the bank account of Shivam Traders on 30th July. Due to the absence of accountant, the transaction was recorded in the books of accounts on 1st August.
- b. In the month of July, Shivam Traders issued vouchers worth ₹ 2,00,000 to its customers, which were eligible to be redeemed against identified goods. Also, certain set of customers were issued vouchers worth ₹ 5,00,000 in the month of August. The said vouchers were eligible to be redeemed against any supply of goods in next 6 months starting from August month.

- c. Mr. Ajay, a partner in the firm, booked a Hotel in Udaipur, Rajasthan for the wedding of his daughter in the month of October. An advance of ₹ 5,00,000 for booking the hotel was paid by way of online payment from the current account of Shivam Traders in July. The hotel charged GST on such booking at the rate of 28% (CGST @ 14% and SGST @ 14% or IGST @ 28%, as the case may be) on the amount received as advance and issued a receipt voucher.
- d. Shivam Traders made a supply of goods worth ₹ 25,00,000 during the month of July. Out of the aforesaid supply, goods worth ₹ 5,00,000 were not liable to GST. However, Shivam Traders inadvertently charged GST on such goods and collected the same from the customers.

The opening balance of input tax credit for all registrations is nil for the relevant tax period. Further, subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled. All the above transactions are exclusive of GST, wherever applicable.

GST is applicable on all inward and outward supplies @ 18%.

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. Compute the net GST liability to be discharged from electronic cash ledger for the month of July by Shivam Traders.
- (a) ₹ 5,76,000
- (b) ₹ 4,36,000
- (c) ₹ 3,96,000
- (d) ₹ 4,86,000
12. Amount of input tax credit available to Shivam Traders against the hotel booking expense shall be _____. Would there be any change if the hotel is located outside Rajasthan?
- (a) Nil. There will be no change even if hotel is located outside Rajasthan.
- (b) ₹ 70,000 as CGST and ₹ 70,000 as SGST. No credit would be available, had the hotel been located outside Rajasthan.
- (c) ₹ 70,000 as CGST and ₹ 70,000 as SGST. IGST of ₹ 1,40,000 would be available, had the hotel been located outside Rajasthan.

- (d) Nil. IGST of ₹ 1,40,000 would be available, had the hotel been located outside Rajasthan.
13. What is the time limit for issuance of show cause notice in respect of the GST inadvertently charged and collected on the goods in July assuming that Shivam Traders does not deposit the same with the Government?
- (a) Within 2 years and 9 months from due date of filing annual return for the financial year
- (b) Within 4 years and 6 months from due date of filing annual return for the financial year
- (c) No time limit to issue the show cause notice
- (d) No show cause notice is required to be issued. The tax amount shall be refunded to the customers if the customer demands the same. **(3 X 2 Marks = 6 Marks)**
14. Axe & Sledge India Ltd. imported a consignment from U.S.A (by sea). The value of consignment was ₹ 7,50,000 and total duty payable was ₹ 1,50,000.
- Company filed bill of entry for home consumption but before inspection and clearance for home consumption it found that the goods were damaged. The proper officer has also agreed about the damage of goods.
- The value of goods has come down to only ₹ 1,50,000.
- The amount of the duty payable by Axe & Sledge India Ltd. is:
- (a) 1,50,000
- (b) 30,000
- (c) 15,000
- (d) NIL **(2 Marks)**
15. Paridhi Ltd. sent certain goods abroad for repairs. Paridhi Ltd. has been advised by their consultants that they will have to pay customs duty (i.e. basic customs duty, IGST & GST compensation cess) only on fair cost of repairs, cost of materials used in repairs (whether such costs are actually incurred or not), freight and insurance charges, both ways, on re-import of exported goods under *Notification No. 45/2017 Cus dated 30.06.2017* provided they fulfill following conditions:
- (i) The re-importation is done within 3 years from date of export or, if time is extended, within 5 years.
- (ii) The exported and re-imported goods are same.

(iii) The ownership of goods should not have changed.

Paridhi Ltd. seeks your opinion about which one of the above-mentioned conditions is/are correct:

- (a) (i), (ii) and (iii)
- (b) (ii) and (iii)
- (c) (i) and (iii)
- (d) Only (ii)

(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. Rajnath Private Limited is registered under GST in the State of Uttar Pradesh. It is engaged in supplying three products – Product Theta, Product Delta and Product Omega, from its factory located in Rampur, Uttar Pradesh. Product Theta and Product Delta are taxable whereas Product Omega is exempt from GST. Besides, it also supplies cigarettes from its factory located in Kanpur and owns a petrol pump in Lucknow. It is also engaged in supply of certain services.

It has furnished the following information with regard to the supplies made by it in the month of August:

Particulars	(₹)*
Supply of Product Theta	50,00,000
Supply of Product Omega	1,00,00,000
Supply of management consultancy services	50,00,000
Renting of commercial complex to local traders of electronic goods	50,00,000
Export of Product Delta	1,00,00,000
Export of consultancy services [including exports made to a Nepal based company of ₹ 5 lakh (payment is received in Indian currency in said case)]	20,00,000
Sale of building (excluding stamp duty of ₹ 2.50 lakh being 2% of value adopted for paying stamp duty) [Entire consideration is received post issuance of completion certificate; building was occupied thereafter]	2,50,00,000
Interest received on investment in fixed deposits with Haribhari bank	10,50,000

Sale of shares of a public company (Purchase price of such shares is ₹ 2,40,00,000)	2,50,00,000
Supply of cigarettes [GST being levied @ 28%.] (including excise duty of ₹ 12,50,000)	1,00,00,000
Supply of petrol and diesel (including VAT of ₹ 5,00,000 and excise duty of ₹ 12,50,000)	80,00,000
Amount received from Devi Prasad Private Limited of Lucknow, Uttar Pradesh. It has sponsored the business exhibition organized in Delhi by Rajnath Private Limited.	6,00,000

*excluding GST

With the help of the above-mentioned information, compute the gross GST liability of Rajnath Private Limited for the month of August on the outward supplies made by it during said period.

Note: Assume that rates of GST on outward supply of goods and services are 12% and 18% respectively unless otherwise specified (Ignore CGST, SGST or IGST for the sake of simplicity). Exports made by Rajnath Private Limited, if any, have been made to persons other than distinct/related persons and are made by furnishing LUT without payment of IGST.

(14 Marks)

2. (a) Travis, a manufacturer of roofing sheets, is having ₹ 1,60,000 as opening balance of ITC for June month. He provides the following information pertaining to the goods and services procured during the month of June:
- (1) Input tax on raw materials is ₹ 40,000. The raw material is used for making both taxable and exempt supplies.
 - (2) Input tax on catering services procured from 'Hari Caterers' in connection with his housewarming ceremony is ₹ 10,000.
 - (3) Input tax on raw materials used exclusively in manufacture of exempt supplies of ₹ 2 lakh is ₹ 20,000.
 - (4) Input tax on cosmetic and plastic surgery of manager of the factory is ₹ 30,000.

Total taxable turnover for the month of June is ₹ 60 lakh exclusive of tax.

Compute the ITC credited for the month of June to the Electronic Credit Ledger and net GST payable from Electronic Cash Ledger by Travis for the month of June. Rate of GST is 18% (Ignore CGST, SGST or IGST and provisions of rule 86B for the sake of simplicity).

Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled. All the purchases are made from registered suppliers. **(10 Marks)**

- (b) SOP & Company Ltd. has imported a machine from U.K. From the following particulars furnished by it, arrive at the assessable value for the purpose of customs duty payable.

	Particulars	Amount
(i)	Price of the machine	10,000 U.K. Pounds
(ii)	Freight (air)	3,000 U.K. Pounds
(iii)	Engineering and design charges paid to a firm in U.K.	500 U.K. Pounds
(iv)	License fee relating to imported goods payable by the buyer as a condition of sale	20% of Price of machine
(v)	Materials and components supplied in UK by the buyer free of cost valued at ₹ 20,000	
(vi)	Insurance paid to the insurer in India	₹ 6,000
(vii)	Buying commission paid by the buyer to his agent in U.K.	100 U.K. Pounds

Other particulars:

- (i) Inter-bank exchange rate: ₹ 98 per U.K. Pound.
- (ii) CBIC had notified for purpose of section 14 of the Customs Act, 1962, exchange rate of ₹ 100 per U.K. Pound.
- (iii) Importer paid ₹ 5,000 towards demurrage charges for delay in clearing the machine from the Airport.

(Make suitable assumptions wherever required and show workings with explanations). **(4 Marks)**

3. (a) Mohan Medical Centre, 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 Mohan Medical Centre.

However, the money actually charged by Mohan Medical Centre 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.

The Department took a stand that senior doctors and consultants are providing services to Mohan Medical Centre 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 Mohan Medical Centre.

You are required to examine whether the stand taken by the Department is correct. **(5 Marks)**

- (b) Mr. Sumit Awasthi, an interior decorator provides professional services to Mr. Manish Pareek in relation to two of his immovable properties.

Determine the place of supply in the transactions below as per provisions of GST law in the following independent situations:

Case	Location of Mr. Sumit Awasthi	Location of Mr. Manish Pareek	Property situated at
I	Delhi	Maharashtra	New York (USA)
II	Delhi	New York	Paris (France)

Explain the relevant provisions of law to support your conclusions. **(5 Marks)**

- (c) Vinayak Company imported goods valued at ₹ 10,00,000 vide a Bill of Entry presented before the proper officer on 15th December, 2024, on which date the rate of customs duty was 20%. The proper officer decided that the goods should be subject to chemical or other test and therefore, the same were provisionally assessed at a value of ₹ 10,00,000 and Vinayak Company paid provisional duty of ₹ 2,00,000 on the same date. Vinayak Company wants to voluntarily pay duty of ₹ 1,50,000 on 20th January, 2025.

- (1) Can Vinayak Company provisionally pay the duty and what are the conditions which are to be complied before such payment is made?
- (2) Determine the amount of interest payable, if any, under section 18 of the Customs Act, 1962 assuming that the payment of ₹ 1,50,000 as stated above is made on 20th January, 2025 and that the final duty is assessed on 31st January, 2025 at ₹ 4,00,000 and the balance duty is paid on the same day. **(4 Marks)**

4. (a) Mahima Ltd. has belatedly filed GST return (under section 39 of the CGST Act, 2017) for the month of January after 60 days from the due date for filing such return. Total tax paid in such return is as below:

Particulars	IGST (₹)	CGST (₹)	SGST (₹)
Output tax payable	4,50,000	2,85,000	2,85,000
Tax payable under reverse charge	18,000	32,000	32,000
Input tax available for utilisation	2,50,000	55,000	55,000
Tax paid through Electronic Cash Ledger	2,18,000	2,62,000	2,62,000

Examine the interest payable as per the provisions of GST law with the help of above information.

What would be your answer, if entire tax for the month of January has to be paid through Electronic Credit Ledger except taxes to be paid on reverse charge basis?

(5 Marks)

- (b) With the help of the following information in the case of M/s Avkash Enterprises, Jaipur (Rajasthan) for the financial year, determine the aggregate turnover for the purpose of registration under the CGST Act.

Sl. No.	Particulars	Amount (₹)
(i)	Sale of diesel on which VAT is levied by Rajasthan Government.	1,00,000
(ii)	Supply of goods, after completion of job work, from the place of Avkash Enterprises directly by principal by declaring the place of M/s Avkash Enterprises as its additional place of business.	3,00,000
(iii)	Export of goods to England (U.K.)	5,00,000
(iv)	Supply to its own additional place of business in Rajasthan.	5,00,000
(v)	Outward supply of services on which GST is to be paid by recipient under reverse charge.	1,00,000

All the above amounts are excluding GST.

You are required to provide reasons for treatment of various items given above.

(5 Marks)

- (c) Determine the total duties payable under Customs Act if Mr. Raju imported rubber from Malaysia at landed price (exclusive of duties) of ₹ 25 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%, IGST u/s 3(7) is 12% and BCD is 10%. Ignore agriculture infrastructure and 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) 'Makkhanlal' 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) 'Kishore' 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 'Makkhanlal' and 'Kishore' for the offences? What would be the position, if 'Makkhanlal' and 'Kishore' repeat the offences?
- It may be assumed that offences are proved in the Court. **(5 Marks)**
- (b) In an order dated 20th August issued to UX (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) TFT Private Ltd. has been declared insolvent by the order of court and the same company is going under liquidation process. Advise the directors of that company about the provisions relating to liability for GST in case of company in liquidation.

(6 Marks)

- (b) Explain the provisions relating to rectification of errors apparent on the face of record under section 161 of the CGST Act, 2017.

(4 Marks)

OR

- (b) List the cases, in which transfer of property to be void specified under section 81 of the CGST Act, 2017.

(4 Marks)

- (c) Discuss the key similarities and differences between Advance Authorization and DFIA (Duty Free Import Authorization) schemes.

(4 Marks)

Mock Test Paper - Series II: April, 2025

Date of Paper: 11th April, 2025

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

FINAL COURSE: GROUP – II

PAPER – 5: INDIRECT TAX LAWS

SOLUTIONS

Division A – Multiple Choice Questions

Question No.	Answer
1.	(a) ₹ 98 lakh
2.	(d) Mr. Samrat is entitled to take the ITC of inputs held in stock on 8 th April, 2024.
3.	(d) ₹ 2,70,000
4.	(c) (ii) and (iii)
5.	(d) No input tax credit is available.
6.	(b) 31 st December 2030
7.	(d) ₹ 2,02,60,000
8.	(a) ₹ 2,00,10,000
9.	(d) (i), (ii) and (iii)
10.	(b) Interest liability of Mr. Anshul is ₹ 444 and he cannot utilize the input tax credit for the payment of interest. He needs to pay the interest in cash.
11.	(d) ₹ 4,86,000
12.	(a) Nil. There will be no change even if the hotel is located outside Rajasthan
13.	(c) No time limit to issue the show cause notice
14.	(b) 30,000
15.	(a) (i), (ii) and (iii)

Division B – Descriptive Questions

1. **Computation of gross GST liability on outward supply of Rajnath Private Limited for the month of August**

Particulars	Value (₹)	GST (₹)
Supply of Product Theta [Liable to GST @ 12%]	50,00,000	6,00,000
Supply of Product Omega [Exempt from GST]	1,00,00,000	Nil
Supply of management consultancy services [Liable to GST @ 18%]	50,00,000	9,00,000
Renting of commercial complex to local traders of electronic goods [Services by way of renting of residential dwelling for use as residence are exempt from GST. Thus, renting of commercial complex is taxable and GST is payable on the same @ 18%.]	50,00,000	9,00,000
Export of Product Delta [Export of goods is a zero-rated supply in terms of section 16(1)(a) of the IGST Act, 2017. A zero-rated supply can be made without payment of tax under a LUT in terms of section 16(3)(a) of that Act.]	1,00,00,000	Nil
Export of consultancy services [As per section 2(6) of the IGST Act, 2017, an activity is treated as export of service if, <i>inter alia</i> , payment for the service is received in convertible foreign exchange or in Indian rupees wherever permitted by the RBI. Since in case of exports to Nepal, RBI regulations allow receipt of payment in Indian rupees, exports of services to Nepal are treated as 'normal exports'. Export of services is a zero-rated supply in terms of section 16(1)(a) of the IGST Act, 2017. A zero-rated supply can be made without payment of tax under a LUT in terms of section 16(3)(a) of that Act.]	20,00,000	Nil
Sale of building [Sale of building is neither a supply of goods nor a supply of services in terms of para 5 of Schedule III to the CGST Act, 2017, provided the entire consideration has been received after issue of completion certificate by the	2,50,00,000	Nil

competent authority or after its occupation, whichever is earlier. Hence, the same is not liable to GST.]		
Interest received on investment in fixed deposits with Haribhatri Bank [Services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest are exempt vide <i>Notification No. 12/2017 CT (R) dated 28.06.2017</i>]	10,50,000	Nil
Sale of shares [Shares are neither goods nor services in terms of section 2(52) and 2(102) of the CGST Act, 2017. Hence, sale of shares is neither a supply of goods nor a supply of services and hence, is not liable to GST.]	2,50,00,000	Nil
Supply of cigarettes [Liable to GST @ 28%] [Excise duty is included in the value since as per section 15(2)(a) of the CGST Act, 2017, value of supply includes all taxes, duties, cesses other than GST.]	1,00,00,000	28,00,000
Supply of petrol and diesel [Supply of petrol and diesel is not leviable to GST as per section 9 of the CGST Act, 2017.]	80,00,000	Nil
Amount received from Devi Prasad Private Limited for sponsorship of the business exhibition [Tax on services provided by any person by way of sponsorship to any body-corporate located in taxable territory is payable by the recipient (Devi Prasad Private Limited) under reverse charge. Thus, tax on such services is not payable by Rajnath Private Limited.]	6,00,000	Nil
Total GST liability on outward supply		52,00,000

2. (a) Computation of ITC available and net GST payable from Electronic Cash Ledger for the month of June

Particulars	Amount (₹)
GST on taxable turnover for the month of June [₹ 60,00,000 × 18%]	10,80,000
Less: ITC available for June month in terms of rule 42	
Opening balance of ITC available in the Electronic Credit Ledger	₹ 1,60,000

Add: ITC credited to the Electronic Credit Ledger for the month of June [Refer working note below]	₹ 40,000	
Less: ITC out of common credit attributable to exempt supply [Refer working note below]	(₹ 1,290)	<u>1,98,710</u>
Net GST payable from Electronic Cash Ledger		8,81,290

Working Note:

Computation of ITC (out of common credit) attributable to exempt supplies

Particulars	Amount (₹)
Input tax on raw materials [Note1]	40,000
Input tax on catering for housewarming [Note 2]	Nil
Input tax on inputs contained in exempt supplies [Note 3]	Nil
Input tax on cosmetic and plastic surgery of CEO of company [Note 4]	Nil
ITC credited to the Electronic Credit Ledger in terms of rule 42 in the month of June	40,000
Common credit [Note 5]	40,000
ITC attributable towards exempt supplies to be reversed [Note 6]	1,290

Notes:

- (1) Being used in the course or furtherance of business, input tax on raw materials is available as ITC and is credited to the Electronic Credit Ledger [Section 16(1) of the CGST Act, 2017].
- (2) ITC on outdoor catering is blocked in terms of section 17(5) of the CGST Act, 2017 if the same is not used for making an outward supply of outdoor catering or as an element of a taxable composite/mixed supply. Hence, the same is not credited to the Electronic Credit Ledger [Rule 42 of the CGST Rules, 2017].
- (3) Input tax on inputs used exclusively for making exempt supplies is not available as ITC and thus, not credited to the Electronic Credit Ledger in terms of rule 42 of the CGST Rules, 2017.

- (4) ITC on cosmetic and plastic surgery is blocked in terms of section 17(5) of the CGST Act, 2017 if the same are not used for making the same category of outward supply or as an element of a taxable composite/ mixed supply. Hence, the same is not credited to the Electronic Credit Ledger [Rule 42 of the CGST Rules, 2017].
- (5) Since there are no inputs and input services which are used exclusively for effecting taxable supplies, the entire ITC credited to Electronic Credit Ledger, i.e. ₹ 40,000 will be the common credit [Rule 42 of the CGST Rules, 2017].
- (6) ITC attributable towards exempt supplies = Common credit x (Aggregate value of exempt supplies during the tax period / Total turnover in the State during the tax period)
- $$= ₹ 40,000 \times ₹ 2,00,000 / ₹ 62,00,000 - (\text{rounded off})$$
- $$= ₹ 1,290 (\text{rounded off})$$

(b) Computation of assessable value of machine imported by SOP & Co.

Particulars	Amount (£)
Price of the machine	10,000
Add: Engineering and design charges paid in UK [Note 1]	500
Licence fee relating to imported goods payable by the buyer as a condition of sale (20% of Price of machine) [Note 1]	<u>2,000</u>
Total	<u>12,500</u>
	Amount (₹)
Value in Indian currency [£12,500 x ₹ 100] [Note 2]	12,50,000
Add: Materials and components supplied by the buyer free of cost [Note 1]	<u>20,000</u>
FOB	12,70,000
Add: Freight [Note 3]	2,54,000
Insurance paid to the insurer in India [Note 1]	<u>6,000</u>
CIF value	15,30,000
Assessable value	<u>15,30,000</u>

Notes:

1. Engineering and design charges paid in UK, licence fee relating to imported goods payable by the buyer as a condition of sale, materials and

components supplied by the buyer free of cost and actual insurance charges paid are all includible in the assessable value [Rule 10 of the Customs (Determination of Value of Imported Goods) Rules, 2007].

2. As per Explanation to section 14(1) of the Customs Act, 1962, assessable value should be calculated with reference to the rate of exchange notified by the CBIC.
3. If the goods are imported by air, the freight cannot exceed 20% of FOB price [Fifth proviso to rule 10(2) of the Customs (Determination of Value of Imported Goods) Rules, 2007].
4. Buying commission is not included in the assessable value [Rule 10(1)(a) of the Customs (Determination of Value of Imported Goods) Rules, 2007].
5. Only ship demurrage charges on chartered vessels are included in the cost of transport of the imported goods. Thus, demurrage charges for delay in clearing the machine from the Airport will not be includible in the assessable value [Explanation to Rule 10(2) of the Customs (Determination of Value of Imported Goods) Rules, 2007].

3. (a) No, the stand taken by the Department is not correct.

Services by way of health care services by a clinical establishment, an authorised medical practitioner or para-medics are exempt from GST vide exemption notification.

Health care services have been defined to mean any service by way of diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognised system of medicines in India and includes services by way of transportation of the patient to and from a clinical establishment, but does not include hair transplant or cosmetic or plastic surgery, except when undertaken to restore or to reconstruct anatomy or functions of body affected due to congenital defects, developmental abnormalities, injury or trauma.

Circular No. 32/06/2018 GST dated 12.02.2018 has clarified that the entire amount charged by the hospitals from the patients including the retention money and the fee/payments made to the doctors etc., is towards the healthcare services provided by the hospitals to the patients and is exempt from GST. In view of the same, GST is not applicable on the retention money kept by Mohan Medical Centre.

The circular also clarifies that services provided by senior doctors/ consultants/ technicians hired by the hospitals, whether employees or not, are also healthcare

services exempt from GST. Hence, services provided by the senior doctors and consultants hired by Mohan Medical Centre, being healthcare services, are also exempt from GST.

(b) Case I

As per section 12(3) of the IGST Act, 2017 where both the service provider and the service recipient are located in India, the place of supply of services directly in relation to an immovable property, including services provided by interior decorators is the location of the immovable property. However, if the immovable property is located outside India, the place of supply is the location of the recipient.

Since in the given case, both the service provider (Mr. Sumit Awasthi) and the service recipient (Mr. Manish Pareek) are located in India and the immovable property is located outside India (New York), the place of supply will be the location of recipient, i.e. Maharashtra.

Case II

As per section 13(4) of the IGST Act, 2017, where either the service provider or the service recipient is located outside India, the place of supply of services directly in relation to an immovable property including services of interior decorators is the location of the immovable property.

Since in the given case, service provider (Mr. Sumit Awasthi) is located in India and service recipient (Mr. Manish Pareek) is located outside India (New York), the place of supply will be the location of immovable property, i.e. Paris (France).

- (c)** (1) Provisional assessment of duty is permitted in case where the proper officer deems it necessary to subject any imported goods or export goods to any chemical or other test [Section 18 of the Customs Act, 1962]. Thus, Vinayak Company can pay the duty on provisional basis.

Before, the provisional assessment of duty, the importer must furnish such security as the proper officer deems fit for the payment of the deficiency, if any, between the duty finally assessed/re-assessed and the duty provisionally assessed.

- (2) Section 18 of the Customs Act, 1962 further stipulates that the importer is liable to pay interest, on any amount payable consequent to the final assessment order @ 15% p.a. from the first day of the month in which the duty is provisionally assessed till the date of payment thereof.

Accordingly, amount of interest payable will be

$$= [\text{₹ } 1,50,000 \times 15\% \times 51/365] + [\text{₹ } 50,000 \times 15\% \times 62/365]$$
$$= \text{₹ } 3,144 + \text{₹ } 1,274 = \text{₹ } 4,418$$

4. (a) Proviso to section 50 of the CGST Act, 2017 lays down that the interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period **furnished after the due date in accordance with the provisions of section 39** of the CGST Act, 2017, except where such return is furnished after commencement of any proceedings under section 73 or section 74 of the CGST Act, 2017 in respect of the said period, shall be levied on that portion of the tax that is paid by debiting the electronic cash ledger.

In the given scenario, Mahima Ltd. has filed its return belatedly and as per the above provisions, interest is payable on the tax component paid through Electronic Cash Ledger only. A point relevant to note here is that tax payable on reverse charge basis also carries interest for the period of delay in remittance of tax and input tax credit cannot be used to pay the same (i.e. tax payable under reverse charge has to be paid in cash).

Accordingly, interest under section 50 payable for the tax paid through Electronic Cash Ledger is computed as below:

$$\text{IGST: } 218,000 \times 18\% \times 60/365 = 6,450$$

$$\text{CGST: } 262,000 \times 18\% \times 60/365 = 7,752$$

$$\text{SGST: } 262,000 \times 18\% \times 60/365 = 7,752$$

Further, if entire tax payable for January is paid through Electronic Credit ledger, except for the taxes to be paid under reverse charge basis, then interest under section 50 of the CGST Act, 2017 is applicable only on the remittance of tax under reverse charge basis and not for tax payable on forward charge basis. Interest payable is given as below:

$$\text{IGST: } 18,000 \times 18\% \times 60/365 = 533 \text{ (rounded off)}$$

$$\text{CGST: } 32,000 \times 18\% \times 60/365 = 947 \text{ (rounded off)}$$

$$\text{SGST: } 32,000 \times 18\% \times 60/365 = 947 \text{ (rounded off)}$$

- (b) **Computation of aggregate turnover of M/s Avkash Enterprises for the FY**

Particulars	₹
Supply of diesel on which Sales Tax (VAT) is levied by Rajasthan Government [Note-1]	1,00,000

Supply of goods, after the completion of job work, from the place of Avkash Enterprises, directly by the principal [Note-2]	Nil
Export supply to England [Note-3]	5,00,000
Supply to its own additional place of business in Rajasthan ¹ [Note-4]	Nil
Outward supply of services on which GST is to be paid by recipient under reverse charge [Note-5]	1,00,000
Aggregate turnover	7,00,000

Notes:-

1. As per section 2(47) of the CGST Act, 2017, exempt supply includes non-taxable supply. Thus, supply of diesel, being a non-taxable supply, is an exempt supply and exempt supply is specifically includible in aggregate turnover in terms of section 2(6) of the CGST Act, 2017.
2. Supply of goods after completion of job work by a principal by declaring the place of business of job worker its additional place of business shall be treated as the supply of goods by the principal in terms of explanation (ii) to section 22 of the CGST Act, 2017.
3. Export supplies are specifically includible in the aggregate turnover in terms of section 2(6) of the CGST Act, 2017.
4. Supply made without consideration to units within the same State is a not a supply and hence not includible in aggregate turnover.
5. Outward supplies taxable under reverse charge would be part of the "aggregate turnover" of the supplier of such supplies. Such turnover is not included as turnover in the hands of recipient.

As per section 22 of the CGST Act, 2017 read with *Notification No. 10/2019 CT dated 07.03.2019*, a supplier is liable to be registered in the State/ Union territory from where he makes a taxable supply of goods and/or services, if his aggregate turnover in a financial year exceeds the threshold limit. The threshold limit for a person making exclusive intra-State taxable supplies of goods is as under:-

- (i) ₹ 10 lakh for the States of Mizoram, Tripura, Manipur and Nagaland.

- (ii) ₹ 20 lakh for the States of Arunachal Pradesh, Meghalaya, Puducherry, Sikkim, Telangana and Uttarakhand.
- (iii) ₹ 40 lakh for rest of India.

The threshold limit for a person making exclusive taxable supply of services or supply of both goods and services is as under:-

- (i) ₹ 10 lakh for the States of Mizoram, Tripura, Manipur and Nagaland.
- (ii) ₹ 20 lakh for the rest of India.

The applicable turnover limit for registration, in the given case, will be ₹ 20 lakh as Rajasthan is not a Special Category State and M/s. Avkash Enterprises is engaged in supply of goods and services. Although, the aggregate turnover of M/s Avkash Enterprises does not exceed ₹ 20 lakh, it is compulsorily required to register in terms of section 24(i) of the CGST Act, 2017 irrespective of the turnover limit as it is engaged in making inter-State supply of goods in the form of exports to England.

(c) Computation of total duties payable under the Customs Act

S. No.	Particulars	(₹)
1	Landed price	25,00,000
2	Add: Basic customs duty @ 10%	2,50,000
3	Add: Safeguard duty @ 30% on ₹ 25,00,000	7,50,000
4	Add: Social welfare surcharge (SWS) @ 10 % on ₹ 2,50,000 [While calculating SWS, safeguard duty is excluded]	25,000
5	Add: Integrated tax 12% of ₹ 35,25,000 (₹ 25,00,000 + ₹ 2,50,000 + ₹ 7,50,000 + ₹ 25,000) [Integrated tax is levied on the sum total of the assessable value of the imported goods, customs duties and applicable SWS]	4,23,000
6	Total customs duties and tax payable [₹ 2,50,000 + ₹ 7,50,000 + ₹ 25,000 + ₹ 4,23,000]	14,48,000

5. (a) (i) Failure to pay any amount collected as tax beyond 3 months from due date of payment is a specified offence as per clause (d) of Section 132(1) of the CGST Act, 2017.

In the present case, failure to deposit the tax ₹ 4 lakh (₹ 245 lakh – ₹ 241 lakh). As the amount of failure does not exceed ₹ 200 lakh therefore, failure to deposit ₹ 4 lakh collected as tax by Makkhanlal will not be punishable with imprisonment as per section 132(1) of the CGST Act, 2017.

Further, falsification of financial records by 'Makkhanlal' is a specified offence as per section 132(1)(d) and punishable with imprisonment upto 6 months or with fine or both as per clause (iv) of section 132(1) assuming that falsification of records is with an intention to evade payment of tax due under the CGST Act, 2017 and the said offence is bailable in terms of section 132(4).

- (ii) Failure to pay any amount collected as tax beyond 3 months from due date is punishable with imprisonment upto 5 years and with fine, if the amount of tax evaded exceeds ₹ 500 lakh in terms of section 132(1)(d) read with clause (i) of section 132(1) of the CGST Act, 2017.

Since the amount of tax evaded by 'Kishore' exceeds ₹ 500 lakh (₹ 550 lakh - ₹ 30 lakh), 'Kishore' is punishable with an imprisonment for a term which may extend to 5 years and with fine. It has been assumed that amount of ₹ 520 lakh collected as tax is not paid to the Government beyond 3 months from the due date of payment of tax.

Such offence is non-bailable in terms of section 132(5) of the CGST Act, 2017.

If 'Makkhanlal' and 'Kishore' repeat the offence, they shall be punishable for second and for every subsequent offence with imprisonment upto 5 years and with fine in terms of section 132(2) of the CGST Act, 2017.

Such imprisonment shall also be of at least 6 months in the absence of special and adequate reasons to the contrary to be recorded in the judgment of the Court.

- (b) Section 107(6) of the CGST Act, 2017 read with section 20 of the IGST Act provides that no appeal shall be filed with the Appellate Authority unless the applicant has paid in full, such part of the amount of tax, interest, fine, fee and

penalty arising from the impugned order, as is admitted by him and a sum equal to 10% of the remaining amount of tax in dispute arising from the said order subject to a maximum of ₹ 50 crore. Thus, the amount of pre-deposit for filing an appeal with Appellate Authority cannot exceed ₹ 50 crore (for tax in dispute) where IGST demand is involved.

In the given case, the amount of pre-deposit for filing an appeal with the Appellate Authority against the order of Joint Commissioner, where entire amount of tax is in dispute, is:

(i) ₹ 28 crore [10% of the amount of tax in dispute, viz. ₹ 280 crore]

or

(ii) ₹ 50 crore,

whichever is less.

= ₹ 28 crore.

Further, section 112(8) of the CGST Act, 2017 provides that no appeal shall be filed with the Appellate Tribunal unless the applicant has paid in full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him and a sum equal to 20% of the remaining amount of tax in dispute, in addition to the amount paid as pre-deposit while filing appeal to the Appellate Authority, arising from the said order subject to a maximum of ₹ 100 crores.

Thus, in the given case, the amount of pre-deposit for filing an appeal with the Appellate Tribunal against the order of the Appellate Authority, where entire amount of tax is in dispute, is:

(i) ₹ 56 crores [20% of the amount of tax in dispute, viz. 280 crores]

or

(ii) ₹ 100 crores,

whichever is less.

= ₹ 56 crores.

- (c) The Government may by notification under section 25 of the Customs Act, 1962 prescribe preferential rate of duty in respect of imports from certain preferential areas. The importer will have to fulfill the following conditions to make the imported goods eligible for preferential rate of duty:
- (i) At the time of importation, he should make a specific claim for the preferential rate.
 - (ii) He should also claim that the goods are produced or manufactured in such preferential area.
 - (iii) The area should be notified under section 4(3) of the Customs Tariff Act, 1975 to be a preferential area.
 - (iv) The origin of the goods shall be determined in accordance with the rules made under section 4(2) of the Customs Tariff Act, 1975.
6. (a) The provisions relating to liability for GST in case of company in liquidation provided under section 88 of the CGST Act, 2017 are:-
- Where any company is being wound up whether under the orders of a court or Tribunal or otherwise, every person appointed as a liquidator/receiver of assets of a company shall give the intimation of his appointment to the Commissioner within 30 days of his appointment.
 - The Commissioner shall ascertain the amount which in the opinion of the Commissioner would be sufficient to provide for any tax, interest or penalty which is then, or is likely thereafter to become, payable by the company.
 - He shall communicate the details of amount to the liquidator within 3 months of the receipt of intimation of appointment of liquidator.
 - When any private company is wound up and any tax, interest or penalty determined under the CGST Act on the company for any period, whether before or in the course of or after its liquidation, cannot be recovered, then every person who was a director of such company at any time during the period for which the tax was due shall, jointly and severally, be liable for the payment of such tax, interest or penalty.

However, director shall not be liable if he proves to the satisfaction of the Commissioner that the non-recovery cannot be attributed to any gross neglect, misfeasance or breach of duty on his part in relation to the affairs of the company.

- (b) Section 161 of the CGST Act, 2017 lays down that any authority, who has passed or issued any decision or order or notice or certificate or any other document, may rectify any error which is apparent on the face of record in such decision or order or notice or certificate or any other document, either on its own motion or where such error is brought to its notice by any GST officer or by the affected person within a period of three months from the date of issue of such decision or order or notice or certificate or any other document, as the case may be.

However, no such rectification shall be made after a period of six months from the date of issue of such decision or order or notice or certificate or any other document. Further, the said period of six months shall not apply in such cases where the rectification is purely in the nature of correction of a clerical or arithmetical error, arising from any accidental slip or omission.

Principles of natural justice should be followed by the authority carrying out such rectification, if it adversely affects any person.

OR

Alternative Answer

- (b) In accordance with section 81 of the CGST Act, 2017, where a person, after any amount has become due from him, creates a charge on or parts with the property belonging to him or in his possession by way of sale, mortgage, exchange, or any other mode of transfer whatsoever of any of his properties in favour of any other person with the intention of defrauding the Government revenue, such charge or transfer shall be void as against any claim in respect of any tax or any other sum payable by the said person.

However, such charge or transfer shall not be void if it is made for adequate consideration, in good faith and without notice of the pendency of such proceedings under this Act or without notice of such tax or other sum payable by the said person, or with the previous permission of the proper officer.

- (c) In both DFIA and Advance Authorization schemes, import of inputs, oil and catalyst which are consumed/ utilised in the process of production of export product are permitted without payment of customs duty. Validity period for both the schemes is 12 months from the date of issue.

Key differences between DFIA and Advance Authorisation schemes are as follows-

- (i) 'Advance Authorisation' is not transferable. DFIA is transferable after export obligation is fulfilled.
- (ii) Advance Authorisation scheme requires 15% value addition, while in case of DFIA, minimum 20% value addition is required.
- (iii) Advance Authorisation and / or material imported under Advance Authorisation is subject to 'Actual User' condition. No DFIA shall be issued for an input which is subject to pre-import condition or where SION prescribes 'Actual User' condition or certain other specified inputs with pre import condition.
- (iv) DFIA cannot be issued where SION (Standard Input Output Norms) prescribes actual user condition [as the material is transferable after fulfilment of export obligation]. Advance Authorisation can be issued even if SION for that product is not fixed. DFIA can be issued only if SION has been fixed for that product to be exported.
- (v) Duty Free Import Authorisation shall be exempted only from payment of Basic Customs Duty (BCD). Drawback as per rate determined and fixed by Customs authority shall be available for duty paid inputs, whether imported or indigenous, used in the export product. Imports under Advance Authorisation are exempted from payment of Basic Customs duty, Additional Customs duty, Education cess, Anti- dumping duty, Countervailing duty, Safeguard duty and Transition Product Specific Safeguard duty, wherever applicable.

However, specified deemed exports are not exempted from payment of applicable anti-dumping duty, countervailing duty, safeguard duty and transition product specific safeguard duty, if any. Imports under Advance Authorisation for physical as well as deemed exports are also exempt from whole of the Integrated Tax and Compensation Cess.