FINAL EXAM
PAPER-5
INDIRECT TAX LAWS

10 MAY 2026

Question Paper Booklet No. 2547985

GENERAL INSTRUCTIONS TO CANDIDATES

1. **The question paper comprises two parts, Part I and Part II.**
2. **Part I comprises Multiple Choice Questions (MCQs).**
3. **Part II comprises questions which require descriptive answers.**
4. **Answers to Questions of Part I (i.e., MCQs) are to be marked on the OMR answer sheet as given on the cover page of descriptive answer book only. Answers to questions in Part II (i.e. descriptive questions) are to be written inside the descriptive answer book. Answers to MCQs, if written inside the descriptive answer book will not be evaluated.**
5. OMR answer sheet given on the cover page of descriptive answer book will be in English only for all candidates, including for Hindi medium candidates.
6. The bar coded sticker provided in the attendance register, is to be affixed only on the descriptive answer book.
7. You will be allowed to leave the examination hall only after the conclusion of the exam. If you have completed the paper before time, remain in your seat till the conclusion of the exam.
8. **Duration of the examination is 3 hours.** You will be required to submit the descriptive answer book with OMR cover page to the invigilator before leaving the exam hall, after the conclusion of the exam.
9. The invigilator will give you acknowledgement on Page 2 of the admit card, upon receipt of the descriptive answer book.
10. Candidate found copying or receiving or giving any help or defying instructions of the invigilators or having/using mobile phone or smart watch or any other electronic gadget will be expelled from the examination and will also be liable for further punitive action.

PART – I

1. Answer all MCQs, on the OMR Answer Sheet as given on the cover page of descriptive answer book.
2. Use HB pencil only to darken the circles for MCQ answers in the answer sheet.
3. After each MCQ, four options have been given. **Choose the correct or most appropriate option** and darken the corresponding circle against the question number in the OMR Answer Sheet, completely, as shown below, with HB pencil.

Marking the Answers	
Example : For Question No. 12, if the candidate considers the correct answer to be C, he is to mark as shown below (Correct Method). 12 (A) (B) ● (D)	**Not as shown below (Wrong method) :** 12 (A) (B) (C) (D) 12 (A) (B) (C) (D) 12 (A) (B) (C) (D) 12 (A) (B) (●) (D) 12 (A) ● ● (D)

4. Any answer to MCQ marked inside descriptive answer book will not be considered and no marks will be awarded.
5. If a candidate wants to change the option already darkened, he should erase it completely, **with good quality eraser** and ensure that no mark is visible after erasing.
6. No mark will be awarded if no circle is darkened or more than one circle is darkened for a particular MCQ. There is no negative marking for a wrong answer.
7. Rough work, if any, must be done on the pages, specified as SPACE FOR ROUGH WORK only and nowhere else in the question paper booklet or in the answer sheet.
8. Before commencement of the exam, please fill up the necessary information in the space provided below and also in the answer sheet.

Total No. of Printed Pages : 24 **Maximum Marks : 100**

Roll No. | | | | | | |

Question Paper Booklet Code **K P B**

Name of the Candidate

Signature of the Candidate

PART – I

30 Marks

(MCQ Portion)

- ***Answers to MCQs are to be marked on the OMR answer sheet as given on the cover page of the descriptive answer book only. Answer to MCQs, if written inside the descriptive answer book shall not be evaluated.***
- ***Please write and darken correct MCQ booklet number in the OMR answer sheet. The correct MCQ booklet number must also be written in the attendance register.***

Integrated Case Scenario-I :

Pawan is engaged in providing various supplies. He is registered under GST at Kochi, in the State of Kerala.

He also acts as a Del-credere agent (DCA) of M/s Casual Comforts Ltd, a reputed garments company of Bengaluru, Karnataka. As a DCA, he issues invoice in his own name and guaranteed for the realization of payments from the customers.

Details of various transactions for the month of October 2025 are reported as below :

(i) Intra-State outward supply in his DCA Capacity : ₹ 21,00,000.

(ii) For the above supply at point (i), Interest earned from the customers for the Short term credit facility provided to them for timely payment of dues : ₹ 1,25,000.

(iii) Services Provided in the capacity of Independent Director to 'ABC Repo Clearing Exchange Limited' in Kochi : ₹ 3,00,000.

(iv) Inter-State supply of goods received from M/s Casual Comforts Ltd., Being a DCA, no consideration was paid. Value of supply ascertained under section 15 of the CGST Act, 2017 is ₹ 4,00,000.

(v) Received free training (Inter-State) from M/s Casual Comforts Ltd. for e-invoicing under GST as per DCA Agreement. M/s Casual Comforts Ltd. charges ₹ 15,000 for such training when it provides to others.

(vi) He had reversed an eligible IGST Input Tax Credit (ITC) of ₹ 20,000 in the month of October 2024 in respect of an invoice received in March 2024 (ITC on which was claimed in March, 2024 itself), for the reason being the supplier did not file his GSTR 3B in respect of said invoice till September 2024. He came to know that the supplier filed his said GSTR 3B return in September 2025. He wants to claim the ITC again which was reversed earlier.

Further in respect of a Demand Order received for the Financial Year (FY) 2020-21, appeal was preferred earlier and the said appeal was finally disposed on 31.10.2025. Annual return (GSTR-9) for the said FY was filed on 31.03.2022 against the due date of 28.02.2022.

Pawan arranged for a marketing training for his executives located in Delhi through "Magic Market Consultants", based and registered in Mumbai. This training was held at Manali, Himachal Pradesh for a week in the month of September 2025.

Pawan also proposes to undertake from the next month following pure labour contracts with his expertise in construction industry :

(a) Pure labour contracts of construction of original work pertaining to a single residential unit otherwise than as a part of a commercial complex : ₹ 5,00,000.

(b) Pure labour contracts of construction of original work pertaining to a single commercial unit otherwise than as a part of a residential complex : ₹ 7,00,000.

(c) Pure labour contracts of construction of renovation work pertaining to the beneficiary led individual house construction PMAY Government Scheme : ₹ 9,00,000.

Applicable rate of tax on both inward and outward supplies is 9% each for CGST and SGST and 18% for IGST unless otherwise provided.

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

Subject to the information given above, conditions for availing the Input Tax Credit are complied with.

From the information provided above, choose the most appropriate answer for the following **questions number 1 to 6** :

1. Value of Taxable Outward Supply of Pawan for the month of October 2025 on which he is liable to pay GST is ₹ _____. **2**

   (A) 21,00,000

   (B) 22,25,000

   (C) 24,00,000

   (D) 25,25,000

2. Amount of Eligible Gross ITC in respect of transactions made with M/s Casual Comforts Ltd. for the month of October 2025 is ₹ _____. 2

(A) Nil

(B) 2,700

(C) 72,000

(D) 74,700

3. In respect of ITC reversed earlier, the most appropriate statement is, 2

(A) He cannot re-claim ITC beyond November 2024

(B) He can re-claim ITC from September 2025

(C) He should have reversed ITC latest by September 2024

(D) He need not reverse as reflection of ITC in GSTR 2A/2B is sufficient to claim the same

4. Pawan seeks your advice regarding the date up to which books of account and other records for the financial year 2020-21 need to be retained. Your advice to Pawan will be, 2

(A) 31.10.2031

(B) 31.03.2028

(C) 28.02.2027

(D) 28.02.2028

5. In respect of training arranged by Pawan for his executives, Place of Supply will be _____. 2

(A) Delhi

(B) Mumbai

(C) Manali

(D) Kochi

6. In respect of proposed pure labour services, Exempt supply will be ₹ _____. 2

(A) 5,00,000

(B) 7,00,000

(C) 9,00,000

(D) 14,00,000

Integrated Case Scenario-II :

M/s Suja & Co (located at Jodhpur), a Partnership Firm was registered under GST under composition scheme in the State of Rajasthan. Intra-State Outward taxable supply of the firm for the month of April 2025 was ₹ 10 Lakh, out of which ₹ 3 Lakh was supply of services. In the preceding financial year, the firm was doing trading of taxable goods only. Turnover of the concern for the previous financial year was ₹ 100 Lakh.

During the month of May 2025, the firm proposed the followings :

(i) To make intra-State supply its goods through the online e-com platforms for better reach.

(ii) To supply the goods to near-by States.

(iii) To deal in new line of products such as building bricks and roof tiles for which there was good demand.

It awaited the approval of its GST consultant to start these proposed activities.

The firm availed the following services in the month of July 2025 on 20.07.2025 and made payment on the same day.

(a) Took on rent a commercial premise for business purposes for a rent of ₹ 50,000. Owner of the property was a pensioner and not registered under GST.

(b) Availed security services for its godown and paid ₹ 30,000 as per bill raised by the service provider who was not registered under GST.

2. Aggregate Turnover of the firm crossed the limit of ₹ 150 Lakh on the first order for the day of 25.08.2025 from which date the firm opted to pay tax under regular scheme of monthly payment of tax.

On the date liable to pay tax under regular scheme, the firm furnishes the following information of Input Tax credit to be claimed u/s 18 of the CGST Act, 2017 read with rule 40 of the CGST Rules, 2017 :

3

GST paid on Input	As on the end of the 24.08.2025 (₹)	As on the end of the 25.08.2025 (₹)
Held in Stock	30,000	1,00,000
Contained in Semi-Finished goods stock	50,000	2,00,000
Contained in Finished goods stock	60,000	3,00,000

During the month of October, 2025 the firm made a contract of supply of goods to Kamala Limited registered in Kanpur (Uttar Pradesh). Consignment was sent to Dubai (outside India) as per instruction of Kamala Limited and this consignment was sent through Green Dot couriers, registered at Jaipur. Goods were handed over for shipment at Jaipur.

One of the partners of the Firm retired on 30.09.2025. GST consultant was advised to report the same to the GST authority by filing necessary amendment within 10 days. But the firm missed by oversight and filed the amendment by 28.10.2025.

Assume all the amounts given above are exclusive of taxes wherever applicable. All the supply referred above is Intra-State unless specified otherwise. Conditions for claiming ITC are duly complied subject to the information given above.

Also assume Normal (regular) rate of GST as 9% each under CGST and SGST and 18% IGST for all the inward and outward supplies involved.

From the information provided above, choose the most appropriate answer for the following **questions number 7 to 12 :**

7. Tax liability of Suja & Co related to the month of April 2025 is ₹ _____. 2

(A) 5,000 each under CGST and SGST

(B) 12,500 each under CGST and SGST

(C) 10,000 each under CGST and SGST

(D) 30,500 each under CGST and SGST

8. In respect of proposed activities for the month of May 2025, which of the following activities are not permitted for Suja & Co. 2

(A) Only (i)

(B) (i) and (ii)

(C) (ii) and (iii)

(D) (i), (ii) and (iii)

9. The Firm will be liable to pay tax of ₹ _____ each under CGST and SGST under Reverse Charge Mechanism for the month of July 2025. 2

(A) Nil

(B) 2,700

(C) 4,500

(D) 7,200

10. Amount of ITC eligible to be claimed by the Firm on switching from composition to Regular scheme is 2

(A) ₹ 30,000

(B) ₹ 90,000

(C) ₹ 1,40,000

(D) ₹ 6,00,000

11. In respect of transaction between the firm and Green Dot couriers, the Place of Supply will be _____. 2

(A) Dubai

(B) Jodhpur

(C) Kanpur

(D) Jaipur

12. In respect of retired partner, he will liable for tax, interest and penalty of the firm due up to the date of 2

(A) 30.09.2025

(B) 10.10.2025

(C) 30.10.2025

(D) 28.10.2025

13. On 15th October, 2025 Jai Laxmi Exim Limited was served with a Demand Order by the Revisional Authority (RA) of GST for demand of Tax (IGST) ₹ 1400 Crore, Interest of ₹ 100 Crore and Penalty of ₹ 120 Crore. Company admitted tax of ₹ 200 Crore, interest of ₹ 20 crore and penalty of ₹ 10 Crore. 2

No appeal filed with regard to this matter earlier against Appealed Authority (AA) and company want to file appeal directly to GST Appellate Tribunal.

Total amount (as Tax+ Interest and Penalty, if any) to be deposited by the appellant before filing appeal to GST Appellate Tribunal is ₹ _____.

(A) Nil

(B) 270 Crore

(C) 369 Crore

(D) 350 Crore

14. Mrs. Sinha, an Indian resident returns to India from New Zealand after staying there for 13 months with her daughter Miss Niva, aged one and half year old. They brought with them following items : 2

Particulars	Mrs. Sinha Amount (₹)	Miss Niva Amount (₹)
Used Personal effects	₹ 50,000	₹ 25,000
Jewellery	31 grams of ₹ 98,000	20 grams of ₹ 50,000
One Laptop each	amounting to ₹ 35,000	amounting to ₹ 35,000
Other Articles (Not covered in annexure I)	₹ 40,000	₹ 25,000

Compute the Net Value of baggage liable to concessional customs duty according to the provisions of Baggage Rules, 2016

(A) Mrs Sinha ₹ NIL, Miss Niva ₹ 60,000

(B) Mrs Sinha ₹ Nil, Miss Niva ₹ 1,00,000

(C) Mrs Sinha ₹ 88,000, Miss Niva ₹ 1,10,000

(D) Mrs Sinha ₹ Nil, Miss Niva ₹ 1,10,000

15. U & Vee Ltd having registered office in Mumbai imported a new industrial chemical from Germany on 25th September, 2025. The proper officer of customs could not determine the correct customs duty without a lab report, so the goods were assessed provisionally on 1st October, 2025. The proper officer informed the company in writing on 10th October, 2025 for furnishing of the said lab report. 2

What is the maximum extended deadline (including all possible extensions by any authority) date for submitting the required report (information) under the regulation 4 of the Customs (Finalization of Provisional Assessment) Regulations, 2025 by the U & Vee Ltd ?

(A) 10th December, 2025

(B) 10th February, 2026

(C) 1st December, 2026

(D) 10th December, 2026

PART – II

70 Marks

(Descriptive Portion)

(Candidates are required to give descriptive answers for this part inside the answer book)

1. ***Questions paper comprises 6 questions. Answer Question No. 1 which is compulsory and any 4 out of the remaining 5 questions.***
2. ***Working notes should form part of the answer.***
3. ***Answers to the questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate has not opted for Hindi Medium, his/her answers in Hindi will not be evaluated.***
4. ***Candidates are required to write the question number legibly.***
5. ***All Questions should be answered on the basis of position of (i) GST law as amended by the Finance Act 2025 including significant notifications and circulars and other legislative amendments made, which have become effective upto 31.10.2025 and (ii) Customs law as amended by the Finance Act 2025 including significant notifications and circulars and other legislative amendments made, which have become effective upto 31.10.2025.***

1. Zaveri Automobiles Pvt Ltd (referred as ZAPL) is a registered person in Rajkot (Gujarat). It has authorized dealership of VTZ Motors Ltd. registered in Gwalior (Madhya Pradesh), an original equipment manufacturer. ZAPL is dealing in cars under all segments of Sedan, SUV, Hatchback etc. Different variants like Petrol, Diesel and Electric are available for all segments and it is also dealing in buying and selling in second hand cars and financing cars too. 14

ZAPL provides following details regarding Outward and Inward activities during the month of October 2025 :

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Amount (in ₹)</th></tr>
<tr><td colspan="2">Outward Transactions :</td><td></td></tr>
<tr><td>(i)</td><td>Sale proceeds received from sale of cars with option of one year of extended warranty during the month of October 2025 :
<table>
<tr><th>Type of Car</th><th>Quantity</th><th>Rate per car (in ₹)</th></tr>
<tr><td>Petrol Cars Hatchback upto 1200 cc (Inter State)</td><td>10</td><td>6,50,000</td></tr>
<tr><td>Electric Cars (Intra State)</td><td>8</td><td>8,50,000</td></tr>
<tr><td>Diesel SUV Cars above 1500 cc (Intra State)</td><td>5</td><td>11,00,000</td></tr>
</table>
Extended warranty is taken only by purchasers of Electric Car amounting to ₹ 50,000 per car at the time of purchase. (This ₹ 50,000 not included in above car rates.)</td><td>As given inside the table.</td></tr>
<tr><td>(ii)</td><td>Received ₹ 12,00,000 from Maharshi Automobiles registered in Udaipur (Rajasthan) for sale of used Demo Cars being diesel car below 1500 cc, these cars are originally purchased as used cars from registered person on 01/04/2025 and ZAPL used these car only for display in the showroom and for test drive for prospective customers, other details are as below :
Originally Purchased for : ₹ 11,70,000
Minor refurbishment expenses made in relation to this by ZAPL ₹ 50,000 to registered suppliers during the month of October 2025.</td><td>As given inside the table</td></tr>
</table>

(iii)	ZAPL issued taxable debit note to VTZ Motors Ltd. for repair services in addition to replacement of parts to customers without any consideration as part of the warranty on behalf of the VTZ Motors Ltd.	2,20,000
(iv)	Sale of Electric Car on 15.10.2025, which was repossessed from defaulter of loan Mr. Shikhar, an unregistered person who purchased the car on 01.01.2024 for ₹ 7,00,000	5,00,000
(v)	ZAPL replaced the goods and parts on 15th October 2025 to the customer without any consideration under warranty on behalf of the VTZ Motors Ltd., out of the supply already received from VTZ Motors Ltd. during the month of August 2025. VTZ Motors Ltd. issued taxable credit note on 25th October, 2025 of ₹ 2,50,000 in respect of goods and parts so replaced.	–
Inward Transactions :		
(i)	Cars being petrol variant above 1200 cc purchased from VTZ Motors Ltd. for ₹ 10,00,000 each Out of these Cars, 2 Cars used exclusive for transportation of staff and remaining cars used exclusive for trial run and to demonstrate features of vehicle to prospective buyers	50,00,000
(ii)	VTZ Motors Ltd. supplied 5 Electric cars on Ex-Works Contract basis to ZAPL, billed and handed over on behalf of ZAPL to transporter at VTZ Motor's factory gate on 29th October 2025. The cars reached the location of ZAPL on 2nd November 2025.	60,00,000

Additional Information :

(a) Personal Guarantee provided without consideration by Mr. Mahesh Kumar, Director of ZAPL to the ASR Bank Ltd for sanctioning of Cash Credit facility of ₹ 12 Crore to ZAPL.

(b) During the month, ZAPL gave shares of its Holding Company Graymord Co. Inc, located in New Zealand, to employees as Restricted Stock Units (RSU) on meeting performance standards as per the terms of the employment. Cost of these shares is ₹ 45,00,000 which ZAPL paid to holding company against the issue of shares. Holding Company also charged commission of ₹ 12,00,000 on this transaction.

(c) Extended warranty amounting to ₹ 3,00,000 has been taken by the few customers in the month of October 2025 for Petrol Cars of 1400 cc which were purchased by them in the previous month.

(d) In respect of above points at Sr. No (ii) and (iv) of outward transactions, no ITC has been claimed on Cars purchased and also no depreciation has been claimed.

(e) All conditions necessary for availing Input Tax Credit (ITC) has been complied with except mentioned otherwise.

(f) All the figures given are exclusive of GST.

(g) Place of supply to be taken as Intra-State supply, wherever a detail for determination of same is not provided with.

(h) Assume the applicable GST Rates (for new as well as for old items) as follows and ignore the effect of any notification/clarification of reduction or restriction of GST rates :

Cars	Engine Capacity	GST Rates
Petrol	Upto 1200 cc	9% CGST, 9% SGST and 18% IGST
Diesel	Upto 1500 cc	
Petrol	Above 1200 cc	20% CGST, 20% SGST and 40% IGST
Diesel	Above 1500 cc	
Electric Cars	–	2.5% CGST, 2.5% SGST and 5% IGST
Extended warranty service	–	9% CGST, 9% SGST and 18% IGST

(i) Assume all other inward and outward supplies are taxable at 9% CGST, 9% SGST and 18 % IGST.

(j) All motor vehicles mentioned here are for transportation of persons having approved seating capacity of not more than 13 persons (including the driver).

(k) There is no opening balance of any ITC but ZAPL wants to pay minimum amount of CGST as far as possible as per norms.

Compute the net minimum GST liability to be paid in cash by ZAPL for the month of October 2025.

Note : Computation of tax to be calculated separately for each transaction and treatment to each transaction should be accompanied by the relevant legal provisions of the GST law, except for the provision of the place of supply.

2. (a) FUN TOURS Limited, registered as a regular dealer under GST in the State of Punjab, provides the following information related to the month of October 2025 : 5

Sr. No.	Particulars	Amount (in ₹)
(i)	Provided services as a Tour operator to entire New Zealand Cricket Team of a club, which was on visit to India to Play T20 club cricket series. The said tour was organized wholly in Nepal and Bhutan for 4 days.	7,00,000
(ii)	Snacks and Magazines supplied on board the Omni Bus from Chandigarh (Punjab) to Delhi; Such goods were taken on Board in Panipat, Haryana State.	50,000
(iii)	Paid fine as per law to Uttar Pradesh State Government for over speeding of its bus in expressway.	10,000
(iv)	Provided Intra-State Transportation of Passengers by Omni bus thru an E-Commerce Operator website.	1,60,000
(v)	Sponsored a 'Summer Tour Fair' organized by Green City Lions Club of Punjab, an NGO, during the month.	2,00,000

Additional Information :

(1) All the amounts given above are exclusive of tax, wherever applicable.

(2) Assume the rate of Tax for CGST/SGST/IGST as 9%, 9% and 18% respectively for both inward and outward supplies.

(3) Place of supply to be taken as Intra-State supply, wherever a detail for determination of same is not provided with.

From the details given above, you are required to determine Gross Tax liability of FUN TOURS Limited for the above given month before the set off of the Input Tax Credit (ITC), if any.

Correct reason for treatment of each time should form part of your answer separately.

(b) Parikh Industries Ltd registered under GST in Ahmedabad, Gujarat, is engaged in manufacturing of electric bicycles. On 1st October, 2025, the company bought 100 VIP tickets for ₹ 5,000 each for an upcoming final Cricket match to be played on 30th October, 2025. 5

The Company distributes these tickets complimentary as under :

Sr. No.	Particulars
(i)	20 tickets to top 5 clients (not related) as a goodwill gesture.
(ii)	2 tickets each to 15 dealers (not related) as part of a scheme where dealers were promised to 2 complimentary tickets of the final Cricket match if they achieved 50% more that their actual half yearly target.
(iii)	15 tickets to Mr. Surendra, marketing executive as performance reward.
(iv)	20 tickets to Mr. Patel, accounts executive as part of 'Family Sports Day' benefit defined in the employment letter.
(v)	15 tickets to 15 employees as performance reward. No other complimentary benefits given to these employees till date.

Compute the value of the taxable supply under the GST law in each of the above case separately along with correct legal provisions for the same in brief.

(c) XYZee Ltd imports a machine from USA. The invoice value of the machine was 30,000 USD plus 1% loading charges at the load airport. 4

Following additional amounts were paid by XYZee Ltd. :

Sr. No.	Particulars	Amount
(i)	Charges paid to the exporter for the right to reproduce in India, the imported machine manufactured in USA.	5,000 USD
(ii)	Erection and assembling charges paid for assembling at Indian airport to a company incorporated at USA.	₹ 1,50,000

Additional information :

(i) Materials and components (not included / deducted at above) supplied by buyer to the exporter in USA at reduced rate at 3,000 USD. The actual cost of the said material was 4,000 USD.

(ii) The cost of air freight and insurance charges are also not included in the invoice value since the same are not ascertainable.

(iii) Exchange rate to be considered as 1 USD for ₹ 80.

From the above information determine the Assessable Value of imported machine (rounded off to the nearest rupee) under the Customs Act, 1962 with appropriate working notes in brief.

(a) Determine the time of supply for the purpose of the payment of tax in each of the following independent transactions with explaining relevant provisions under the CGST Act, 2017 in brief : 2

(i) Cuteex Pvt. Ltd, is registered in the State of Karnataka under GST. It has taken a residential house for its Managing Director (MD) on rent from Mr. Rathi, also registered under GST in Karnataka. The invoice for rent for the month of August, 2025 was issued on 31st July, 2025 by Mr. Rathi. The due date for payment was 7th August, 2025, but since the MD was on a business trip, payment was made online by IMPS system on 15th October, 2025 but recorded in advance in the books of the accounts of the company on the 14th October, 2025. The amount was credited in Mr. Rathi's bank account on 15th October, 2025.

(ii) Ziva telecom Ltd is a telecom operator providing mobile network services in India by securing the right to use spectrum from the Government of India as per the spectrum allocation model. As per the contract, the company has to make periodic payments over a period of 12 months in 12 installments to the Government. The due date for payment was 20th October, 2025 and payment was made by the company on 19th October, 2025 since it was a Sunday on 20th October, 2025. 3

Also discuss in brief the provision related to due date of issue of the invoice in the above case.

(b) Examine the following independent cases and answer the relevant questions with regards to provision of the GST law :

(i) Blue Bank Ltd had lent a Term Loan to SKY Powers for setting up a Solar Plant on an agreed repayment schedule. Due to crunch in working capital, SKY Powers missed a few installments and the bank charged Penal Charges for breach of repayment contract. 2

Whether these penal charges collected by the Bank are liable for GST ?

(ii) **'Highway'**, an e-commerce operator (ECO) provides various services in its on-line platform. In one of the services, it is liable to pay tax as notified u/s 9(5) of the CGST Act, 2017. Its tax consultant advised that it can discharge its liability u/s 9(5) by utilizing its available Input Tax Credit (ITC) but it needs to reverse proportionate ITC in respect of said turnover reported. 3

You are approached to evaluate the correctness of the advice of the tax consultant.

(c) Charkha Spinning Mills Ltd imported polyester fibre from Turkey on 10th July, 2025. The said goods entered in the territorial waters of India on 25th July, 2025 and were stored in a bonded warehouse on the same day. The goods were wholly exempt from levy of customs duty vide a notification issued by the Central Government under Section 25(1) of the Customs Act, 1962. 4

The said goods were removed from the bonded warehouse on 25th September, 2025, on which date the exemption notification had been rescinded and the exemption granted thereunder was withdrawn and the goods were leviable to 25% duty.

The Customs department demanded duty of 25% as per the new notification.

The Company argued that since the goods entered the territorial waters on 25th July, 2025 on which date the goods were exempted from levy of customs duty, no duty is leviable when the goods were removed from the warehouse.

Whether the Company is correct in its stand ?

Discuss with the help of the decided case law if any, along with relevant legal provisions under the Customs law in brief.

Note : Citation of the case law is not required.

4. (a) Go global Inc, a firm registered under GST, submits the following information pertaining to the Month of September 2025 : 5

(i) Export of Fruit Jam : 1,000 bottles

(ii) Domestic Inter-State Sale of Fruit Jam : 2,500 bottles

(iii) Eligible Input Tax Credit (ITC) of IGST for the given month for Inputs, input service and capital goods amounts to ₹ 1,50,000, ₹ 2,50,000 and ₹ 3,00,000 respectively.

(iv) Rate of Fruit Jam for Domestic Supply was priced at ₹ 120 per bottle.

(v) For export, the same product was priced at ₹ 200 per bottle.

(vi) In domestic market, the product is taxed at 18% under IGST.

The firm had duly filed LUT for making export without payment of Tax in accordance with the provisions of the IGST Act, 2017. FOB value declared in the Shipping bill and value as per tax Invoice was one and the same.

Determine the eligible refund amount that can be claimed by Go Global Inc for the given month under the GST law.

Note : Assume all the conditions for refund have been complied with.

(b) Twinkle Toys Ltd, a manufacturer of toys and registered under GST in the State of Gujarat, handed over boxes of toys along with duly filled in Part A of the E-way bill on 22nd October, 2025 at 15:30 hrs to M/s Zoom Roadways (transporter) for transportation by road. The goods were to be delivered to M/s Happy Toys, a registered dealer in the State of Rajasthan located at a distance of 610 km from the warehouse of Twinkle Toys Ltd. The transporter entered **XYXY** as the vehicle number of the normal truck in which the goods were to be transported in Part-B of the E-way bill on 24th October, 2025 at 10.30 hrs. However, the goods could not be transported due to a sudden strike of transporters till midnight of 26th October, 2025. 5

The transporter decided to transport the said goods as soon as the strike ended on midnight of 26th October, 2025 along with the E-way bill already generated earlier with **XYXY** as the vehicle number but in another truck whose number was **ABCD.**

Discuss the followings in brief with relevant provisions of the CGST Act. 2017 :

(i) Can the transporter transport the goods in truck number **ABCD** instead of **XYXY** or does he need to generate another E-way Bill ?

(ii) Transporter think that the time for cancellation of E-way bill has already expired so new E-way Bill required.

Note : XYXY and ABCD are just given for the purpose of reference only and may not be the actual truck number.

OR

(b) Manyur Enterprises, a registered person in Nagpur, Maharashtra sent goods for Job work purpose to Kechime Enterprise located in Imphal, Manipur, not registered under GST. Aggregate turnover of Manyur Enterprise in the preceding Financial Year was ₹ 7.50 Crore. 5

You are required to answer the below stated questions as per the provisions of GST law :

(i) What will be the due date of submitting intimation in Form GST ITC-04 ?

(ii) Who is required to generate E- way bill ?

(iii) Whether Kechime Enterprise required to take registration under CGST Act, 2017, if their aggregate turnover during the current year is ₹ 9 Lakh ?

(c) Keeyan Limited imported Machine spares from Italy. Both provisional and Final assessment took place for such import, details of which are as follows : 4

Date of provisional assessment : 31.07.2025

Date of final re-assessment : 30.09.2025

Duty demanded based on Final Re-Assessment : ₹ 4,00,000

Date of payment of duty demanded :– 10.10.2025

You are required to briefly state the relevant provision of the Customs Act, 1962 and calculate the interest payable (nearest to one rupee), if any, by Keeyan Limited on the final re-assessment.

5. (a) Mr. Rajaram issued a tax invoice to Mr. Balram without any actual supply of goods or services involving total Input Tax Credit (ITC) of ₹ 60 Lakh on 5th October, 2025. Mr. Balram avails ITC on the basis of the said tax invoice. Mr. Balram further issues tax invoice to Mr. Lilaram with total ITC amounting to ₹ 70 Lakh without actual supply of goods or services on the same day. All the three persons are registered under GST in the same State. 5

The department conducts an inquiry and proves that no service/goods ever moved between any of the persons.

On the basis of the above given facts, answer the followings with reference to GST law :

(i) Determine the amount of penalty to be paid by Mr. Balram, if any

(ii) Whether any other action to be taken against Mr. Balram under any of the provisions of the GST law ?

(iii) Calculate the minimum and maximum compounding amount as per the provisions of section 138 of the CGST Act, 2017, to be payable by Mr. Rajaram, if any.

Note : Calculations must be done separately for CGST and SGST or IGST as the case may be.

(b) Shivam Tools Limited filed an appeal before the First Appellate Authority (AA) against order of the proper officer u/s 74A of the CGST Act, 2017. The Authorized Representative (AR) of the company, who appeared in appeal proceedings, provides the following updates on the said appeal, 5

(i) AR forgot to submit the Bank statements to prove the stand of the appellant. These Bank statements hold complete evidence in favour of the appellant.

(ii) AA called for certificate from the supplier of the appellant as per Notification issued by the CBIC in respect of payment of tax by the supplier.

Since the supplier was admitted in hospital for two weeks, the AR could not produce the said evidence.

AA dismissed the present appeal and the appellant decided to appeal before the GST Appellate Tribunal.

You are approached to advise the appellant as to the admissibility of the above evidences before the Tribunal, which could not be filed before the AA, by briefly explaining the relevant provisions / circumstances in brief.

(c) List any two exporters and any two capital goods eligible for the Export Promotion Capital Goods Scheme (EPCG) under the Foreign Trade Policy. 4

6. (a) How is the amount realized from the sale of goods or conveyance, movable or immovable property be appropriated for the recovery of dues from a defaulter or for recovery of penalty u/s 129(3) of the CGST Act, 2017 ? 6

Answer with reference to section 79(1)(d) of the CGST Act, 2017 and rules of the CGST Rules, 2017.

(b) Mention the reasons for which taxable person can go for Provisional Assessment and the time period by which the proper officer has to pass the provisional assessment order and final assessment order as per the provision of Section 60 of the CGST Act 2017. 4

(c) While calculating export performance for grant of One Star Export House Status category, certain units / exports are granted double weightage. 4

List those categories of units / exports with reference to the Foreign Trade Policy.

(24)

KPB

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