

MOCK TEST PAPER 1
FINAL COURSE: GROUP – II
PAPER 8: INDIRECT TAX LAWS

Maximum Marks: 100 Marks

Time Allowed: 3 Hours

Notes:

- (i) Working Notes should form part of the answer. However, in answers to Question in Division A, working notes are not required.
- (ii) Wherever necessary, suitable assumptions may be made by the candidates and disclosed by way of a note.
- (iii) All questions should be answered on the basis of position of (i) GST law as amended by the Finance Act, 2021, which have become effective up to 30th April, 2022, including significant notifications and circulars issued, up to 30th April, 2022 and (ii) customs law as amended by the Finance Act, 2021, including significant notifications and circulars issued, up to 30th April, 2022.

Division A: Multiple Choice Questions (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.

Each MCQ under Question No. 1 & 2 carries 2 Marks each

1. Swarg Transport Agency (P) Ltd. (hereinafter referred to as "STAL"), registered under GST in Jaipur, Rajasthan, is providing services by way of transportation of goods by road for which it issues consignment notes, to all the sectors of industries. It maintains trucks, trollers, advance carriages for heavy loads, lorries and small tractors, for the purpose of transportation and renting purposes. It also maintains special vehicles which has special storage features and other advance facilities for transporting defence equipments and other complex machineries, chemical and food products.
It has provided the following details for the current financial year:
 - (i) Dhanimani Bank, (registered in Bareilly, Uttar Pradesh) sent its branch manager Mr. Chintamani on one year deputation on a special project to Bhopal, Madhya Pradesh. Mr. Chintamani's family is stationed in Kanpur (U.P.). Dhanimani Bank enters into a contract with STAL for transportation of the household goods of Mr. Chintamani from Kanpur to Bhopal for ₹ 1,50,000.
 - (ii) STAL provided service of transportation of goods to a co-operative society which was newly constituted and hence was not registered under GST law and the amount charged was ₹ 3,00,000. While transporting the goods of the said co-operative society, STAL generated e-way bill on Monday at 2:00 pm. The goods were to be transported for a distance of 220 km.
 - (iii) STAL had a contract with local authority in Rajasthan to provide services by way of transportation of relief material to flood affected victims for which ₹ 2,50,000 is charged.
 - (iv) STAL rendered transportation services to farmers in Punjab for transportation of agricultural produce to nearby cities for ₹ 2,00,000.
 - (v) STAL owns and maintains its own petrol pump wherein the revenue from supply of petrol was ₹ 20,00,000.
 - (vi) STAL gave buses on rent to a higher secondary school in Rajasthan affiliated to CBSE and charged ₹ 5,00,000 for the same during the year.
 - (vii) STAL transported equipments to a military camp which also availed special storage facility from STAL and amount charged for such services is ₹ 5,50,000.

Notes:

1. Assume that GST is payable on the transportation in the aforesaid case scenario at the following rates unless otherwise specified:
 - I. Intra-State supply – 6% CGST and 6% SGST
 - II. Inter-State supply – 12% IGST
2. All the above amounts are exclusive of GST, wherever applicable, unless otherwise specified.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 1.1 to 1.5 below:

- 1.1 Determine the value of outward supplies made by STAL which are exempt from GST.
 - (a) ₹ 35,00,000
 - (b) ₹ 15,00,000
 - (c) ₹ 16,00,000
 - (d) ₹ 5,50,000
- 1.2 Determine the place of supply of the services of transportation of household goods of Mr. Chintamani provided by STAL.
 - (a) Jaipur, Rajasthan
 - (b) Bareilly, Uttar Pradesh
 - (c) Kanpur, Uttar Pradesh
 - (d) Bhopal, Madhya Pradesh
- 1.3 Calculate the aggregate turnover of STAL for the current financial year.
 - (a) ₹ 35,00,000
 - (b) ₹ 39,50,000
 - (c) ₹ 19,50,000
 - (d) ₹ 38,00,000
- 1.4 Determine the period of validity of e-way bill generated by STAL for transporting the goods of the co-operative society.
 - (a) Tuesday-Wednesday at 12.00 midnight
 - (b) Wednesday-Thursday at 12.00 midnight
 - (c) Wednesday at 12.00 noon
 - (d) Wednesday at 2.00 pm
- 1.5 Whether tax is required to be deducted under section 51 of the CGST Act, 2017 for the service provided by STAL to local authority in Rajasthan?
 - (a) No; since the value of contract is not less than ₹ 2,50,000.
 - (b) Yes; since the value of contract is ₹ 2,50,000.
 - (c) Yes; since TDS is mandatorily to be deducted for any supplies made to a local authority irrespective of the value of supply.
 - (d) No; since it is an exempt supply.

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

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

The company procures service of M/s Pawan Enterprises, a Goods Transport Agency, having its place of business in Lucknow, Uttar Pradesh, for transport of goods from its factory to customers' location. M/s Pawan Enterprises prepares a regular consignment note containing the details of consignor and consignee and other prescribed details. The services provided by M/s Pawan Enterprises are chargeable to tax @ 5%.

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

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

Following additional information is also provided:

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

Following GST rates are applicable on the inward and outward supplies unless otherwise specified:

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

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 2.1 to 2.5 below:-

- 2.1 Whether the service provided by M/s Pawan Enterprises to Biswaas Ltd. is chargeable to tax. If yes, who will discharge the tax liability?
- (a) The service is chargeable to tax and M/s Pawan Enterprises will discharge the tax liability.
 - (b) The service is chargeable to tax and Biswaas Ltd. will discharge the tax liability.
 - (c) The service is exempt under the CGST Act, 2017.
 - (d) The service is chargeable to tax and M/s Pawan Enterprises and Biswaas Ltd. will discharge the tax liability in the ratio of 1:1.
- 2.2 Whether Biswaas Ltd. could have opted for composition levy under sub-sections (1) and (2) of section 10 of the CGST Act, 2017 for current financial year?
- (a) Yes. However, it could have provided services up to a value of ₹ 11,12,500 under composition levy during the current financial year.
 - (b) No, it could not have opted for composition levy.
 - (c) Yes. However, it could have provided services up to ₹ 5,00,000 under composition levy during the current financial year.
 - (d) Yes. However, it could have provided services up to ₹ 11,75,100 under composition levy during the current financial year.
- 2.3 Assuming Biswaas Ltd. has opted for composition scheme under sub-sections (1) and (2) of section 10 of the CGST Act, 2017 at the beginning of the current financial year, what shall be the total GST liability of Biswaas Ltd. in the State of Uttar Pradesh for April-June quarter?
- (a) No liability, ITC of ₹ 1,56,828 will be carried forward.
 - (b) ₹ 45,931
 - (c) ₹ 13,626
 - (d) ₹ 2,02,759
- 2.4 Which of the following statement is incorrect in case of Vidhata Foundation?
- i. Services provided to charitable or religious trusts are not outside the ambit of GST. Unless specifically exempt, they are chargeable under GST.
 - ii. All the activities of Vidhata Foundation are exempt from GST since it is a charitable trust registered under section 12AB of the Income-tax Act, 1961.
 - iii. Fees charged by any registered person for sessions on yoga and spirituality are exempt since the objective of such programmes is advancement of yoga and spirituality.
- (a) i & ii
 - (b) i
 - (c) iii
 - (d) ii
- 2.5 What shall be the place of supply (POS) for the supply transaction(s) between Biswaas Ltd., M/s Sarvesh Enterprises and M/s Rupesh Enterprises and the nature of tax leviable thereon?
- (a) POS for transaction between M/s Sarvesh Enterprises and M/s Akash Enterprises is the location of principal place of business of M/s Sarvesh Enterprises, i.e. Gujarat and IGST is leviable on such supply. POS for transaction between M/s Sarvesh Enterprises and Biswaas

Ltd. is the location at which the movement of goods terminates i.e. at the factory of Biswaas Ltd. in Lucknow, Uttar Pradesh and IGST is leviable on such supply.

- (b) POS for transaction between M/s Sarvesh Enterprises and M/s Akash Enterprises is the location of principal place of business of M/s Akash Enterprises, i.e. Uttar Pradesh and IGST is leviable on such supply. POS for transaction between M/s Sarvesh Enterprises and Biswaas Ltd. is the location of principal place of business of M/s Sarvesh Enterprises, i.e. Gujarat and CGST and SGST are leviable on such supply.
- (c) POS for transaction between M/s Sarvesh Enterprises, Biswaas Ltd. and M/s Akash Enterprises is the location of principal place of business of Biswaas Ltd., i.e. Uttar Pradesh since goods are delivered there and CGST and SGST are leviable on such supply.
- (d) POS for transaction between M/s Sarvesh Enterprises, Biswaas Ltd. and M/s Akash Enterprises is the location of principal place of business of Biswaas Ltd., i.e. Uttar Pradesh since goods are delivered there and IGST is leviable on such supply.
3. Sukhmal & Co., registered under GST in Rajasthan, issued an invoice of ₹ 5,00,00,000 (excluding GST) to Dharama & Co. without supplying any goods or services, at the advice of its accountant – Mr. Divyanshu. GST @ 18% was charged in this invoice. Dharama & Co. availed the ITC on the basis of said invoice and utilised it in the same month. Determine the amount of penalty leviable in this case.
- (a) Sukhmal & Co.: ₹ 90,00,000; Dharama & Co.: ₹ 90,00,000; Mr. Divyanshu: Nil
- (b) Sukhmal & Co.: ₹ 90,00,000; Dharama & Co.: ₹ 90,00,000; Mr. Divyanshu: ₹ 90,00,000
- (c) Sukhmal & Co.: Nil; Dharama & Co.: Nil; Mr. Divyanshu: ₹ 90,00,000
- (d) Sukhmal & Co.: ₹ 10,000; Dharama & Co.: ₹ 10,000; Mr. Divyanshu: Nil **(2 Marks)**
4. An appeal to the High Court can be filed under the CGST Act, 2017 in the following cases:
- (i) By a person aggrieved against the order passed by the State bench or Area bench of the Appellate Tribunal
- (ii) By a person aggrieved against the order passed by the National bench or Regional bench of the Appellate Tribunal
- (iii) For a matter involving substantial question of law
- Choose the most appropriate option.
- (a) (i) and (ii)
- (b) (i) and (iii)
- (c) (ii) and (iii)
- (d) (i), (ii) and (iii) **(2 Marks)**
5. Alcoholic liquor for human consumption is:
- (a) exempt from GST.
- (b) subject to both GST and central excise duty.
- (c) outside the realm of GST.
- (d) subject to GST only. **(1 Mark)**
6. In which of the following cases, can an importer claim abatement of duty under section 22 of the Customs Act, 1962?
- (i) Goods pilfered during unloading
- (ii) Goods damaged by accident (due to negligence of the importer) after unloading but before examination for assessment by customs authorities

- (iii) Goods destroyed by accident while being removed from the warehouse after clearance for home consumption
- (iv) Goods damaged by accident (not due to negligence of the importer) after unloading but before examination for assessment by customs authorities

Choose the most appropriate option.

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

(2 Marks)

7. Which of the following privileges are granted to the Status Holders as per Foreign Trade Policy 2015-2020?

- (i) Authorisation and custom clearances for both imports and exports may be granted on self-declaration basis.
- (ii) Two Star Export Houses and above are permitted to establish export warehouses.
- (iii) Input-Output norms may be fixed on priority within 7 days by the Norms Committee.
- (iv) Exemption from furnishing of bank guarantee in Schemes under FTP.

Choose the most appropriate option.

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

(2 Marks)

8. Anti-dumping duty is calculated as follows:

- (a) Higher of margin of dumping or injury margin
- (b) Lower of margin of dumping or injury margin
- (c) Higher of export price or normal value
- (d) Lower of export price or normal value

(1 Mark)

Division B: Descriptive Questions (70 marks)

Question paper comprises of 6 questions. Answer Question No. 1 which is compulsory and any 4 out of the remaining 5 questions.

1. Ram Kumar, a registered supplier under GST in the State of Gujarat, provides the following information pertaining to the supplies made/received for the month of January:

Sl. No.	Particulars	Amount in ₹
(i)	IGST of ₹ 90,000 paid in December on machinery imported from Japan [Goods landed in Gujarat port and reached at his registered premises on 31st January.]	
(ii)	Availed services of transportation of raw material from GTA - M/s Ghoomghoom Transporters of Kolkata	1,00,000
(iii)	20 invoices involving IGST of ₹ 1,20,000 received during the current month [Only 16 invoices involving IGST of ₹ 1,00,000 were uploaded by the suppliers in their GSTR-1 statement and their details were reflected in his	--

	GSTR-2B. Supplies received against all the invoices were otherwise eligible for claiming ITC.]	
(iv)	Supplied machinery (purchased from an unregistered supplier) free of cost to his brother for manufacturing goods in his factory in Punjab (Market value of supply was ₹ 16,32,000)	Nil
(v)	Supplied a consignment of 5 machines to M/s KK & Co. in the State of Gujarat at the instruction of third person being XX Enterprises of Tamilnadu.	6,00,000
(vi)	Provided stock counting service to Gungun Manufacturers registered with GST in the State of Gujarat. Stock counting was carried out at the godown located in Gujarat	1,10,000
(vii)	Direct Selling Agent (DSA) services provided to ICIDI Bank, registered in Delhi, for providing services relating to opening of bank account/credit card & loan products	2,00,000
(viii)	Advance received during the month for future intra-State supply [Advance of ₹ 5,00,000 was related to supply of goods and the rest was related to service]	9,00,000
(ix)	Sent goods valued ₹ 80,000 to job worker, registered in the State of Kerala, who further processed the said goods and made direct supply on 31 st January from its premises in Kerala to a buyer in the State of Gujarat at a price of ₹1,00,000	--

Apart from the above information, Ram Kumar also availed inter-State services of ₹4,00,000, tax on which was payable under reverse charge, from Viral Shah Enterprises, Maharashtra. Payment for the same to Viral Shah Enterprises was not made till the current month (overdue for 181 days as on 1st January). However, tax due under the said transaction was paid to Government and credit availed in the month of transaction itself.

From the information given above, you are required to compute the net GST liability payable in cash from Electronic Cash Ledger (CGST and SGST or IGST, as the case may be) for the month of January assuming that Ram Kumar wishes to make the cash payment of GST under SGST head as far as possible and that his turnover for the previous financial year was ₹ 21 lakh.

Notes-

- (i) CGST, SGST & IGST rates on all inward and outward supplies were 9%, 9% and 18% respectively, except in case of services received from GTA where the rate of CGST/SGST @ 2.5% each and IGST @ 5% was applicable.
 - (ii) All the amounts given are exclusive of taxes wherever applicable. The necessary conditions for availing ITC have been complied with by Ram Kumar, wherever applicable. **(14 Marks)**
2. (a) Gupta and Gupta Brothers is a partnership concern registered under GST in the State of Gujarat. It provides the following information pertaining to supplies made/received by it during the month of May:

	Particulars	₹
(i)	Loading, unloading, packing and warehousing of tomato ketchup bottles	4,00,000
(ii)	Provided security services (services provided by way of supply of security personnel) to Sudarshan Ltd., a registered person under GST	3,35,000
(iii)	Provided security services (services provided by way of supply of security personnel) to Divyajyoti Trust, an unregistered person under GST	1,00,000

(iv)	Provided renting of motor vehicle service for carrying passengers to Bharat Travels Ltd. and supply value included cost of fuel	2,35,000
(v)	Provided renting of motor vehicle service for carrying passengers to Suvidha & Co., a partnership firm and supply value included cost of fuel	40,000
(vi)	Recovery agent services provided to Manimani Finance Ltd., an NBFC	4,20,000
(vii)	Received legal consultancy service from Dhruv and Co., a law firm, for business purposes	70,000
(viii)	Services provided to Gujarat Government administration under a Health Training programme (90% of the total expenditure for said programme is borne by Gujarat Government.)	80,000

Determine the GST liability (inclusive of GST liability for the supplies received, if any) of Gupta and Gupta Brothers for the month of May by giving necessary explanations for treatment of various items. Rate of tax for both inward and outward supply is CGST @ 9% and SGST @ 9% except services of renting a motor vehicle for transportation of passengers, on which CGST @ 2.5% and SGST @ 2.5% is applicable. Gupta and Gupta Brothers commenced its business from April in the current financial year. All the above supplies are intra-State supplies. **(9 Marks)**

- (b) George Inc., USA, exported a machine to Niti Exporters of Delhi in a vessel. The cost of the machine at the factory of George Inc. is US \$ 8,800. Following additional information is provided in respect of the import of said machine by Niti Exporters:

US \$

Transport charges from the factory of George Inc. to the port for shipment	1,500
Handling charges paid for loading the machine in the ship	250
Buying commission paid by Niti Exporters	432
Freight charges from USA to India	1,000

Exchange rate to be considered: 1\$ = ₹ 68

Actual insurance charges paid are not ascertainable

From the information provided above, you are required to compute the assessable value of the imported machine under the Customs Act, 1962. **(5 Marks)**

3. (a) Diksha is engaged in supplying a bouquet of good and services in the State of Maharashtra. She has furnished the following information with regard to the supplies made by her in the month of July:

Particulars	Amount (₹)
Supply of a laptop along with the laptop bag to a customer of Mumbai	89,000
Supply of 10,000 kits (at ₹ 50 each) to Riddhi Stores in Kota (Rajasthan). [Each kit consists of 1 hair oil, 1 beauty soap and 1 hair comb.]	5,00,000
100 kits are given as free gift to Mumbai customers (all unrelated) on the occasion of Diksha's birthday. Each kit consists of 1 hair oil and 1 beauty soap. Cost of each kit is ₹ 35. Input tax credit has not been taken on the goods contained in the kit.	--
Event management services provided free of cost to her brother (wholly dependent on her) for his son's marriage function in Indore (Madhya Pradesh). [Cost of providing said services is ₹ 80,000.]	--

300 chairs and 20 coolers hired out to Krishna Garden, Ajmer (Rajasthan) [Value includes cost of transporting the chairs and coolers from Diksha's godown at Mumbai to Krishna Garden, Ajmer.]	48,000
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Assume rates of GST to be as under:-

S. No.	Particulars	Rate of GST
1.	Laptop	18%
2.	Laptop bag	28%
3.	Hair oil	18%
4.	Beauty soap	28%
5.	Hair comb	12%
6.	Event management service	5
7.	Service of renting of chairs and coolers	12%
8.	Transportation service	5%

From the above information, examine each of the above supplies made by Diksha for the month of July and determine the rate of GST applicable on the same. **(5 Marks)**

- (b) Lilawanti Hospital, Mumbai is a multi-specialty hospital located in the heart of the Mumbai city. It has its own restaurant – Govindam Foods - which supplies food to its in-patients (patients admitted in the hospital) as per the advice of the doctor/nutritionist.

Govindam Foods also supplies food to other patients (who are not admitted) or their attendants or visitors. The food is prepared by the employees of the hospital and nothing is outsourced to any third-party vendors.

Lilawanti Hospital is of the view that all services provided by a clinical establishment are exempt from GST and thus, it is not liable to pay any tax. You are required to test the correctness of the view taken by Lilawanti Hospital. **(4 Marks)**

- (c) Sudhakar Enterprises imported certain goods from a developing country from 15th April, 2021 to 14th April, 2022 (both days inclusive). Assessable value of the goods is ₹ 30,00,000. Share of imports of said goods from the developing country against total imports of such goods to India is 4%. Rates of basic custom duty, integrated tax and social welfare surcharge are 10%, 12% and 10% respectively. Determine the customs duty payable under the Customs Tariff Act, 1975 including the safeguard duty of 30% under section 8B of the said Act with the help of the details available.

Note: Ignore GST compensation cess and agriculture infrastructure and development cess.

(5 Marks)

4. (a) Dhun Pvt. Ltd. owned by Jairaj - a famous classical singer - wishes to organise a 'Jairaj Music Concert' in Gurugram (Haryana). Dhun Pvt. Ltd. (registered in Ludhiana, Punjab) enters into a contract with an event management company, Dhanraj (P) Ltd. (registered in Delhi) for organising the said music concert at an agreed consideration of ₹ 10,00,000.

Dhanraj (P) Ltd. books the lawns of Hotel Dumdum, Gurugram (registered in Haryana) for holding the music concert, for a lump sum consideration of ₹ 4,00,000. Dhun Pvt. Ltd. fixes the entry fee to the music concert at ₹ 5,000.

You are required to determine the place of supply in respect of the supply(ies) involved in the given scenario. **(5 Marks)**

- (b) LMN Pvt. Ltd., Coimbatore, Tamil Nadu, exclusively manufactures and sells product 'X' which is exempt from GST vide a notification issued under relevant GST legislations. The company sells product 'X' only within Tamil Nadu and is not registered under GST. Further, all the inward supply of the company are taxable under forward charge. The turnover of the company in the previous year was ₹ 45 lakh. The company expects the sales to grow by 30% in the current year. The company purchased additional machinery for manufacturing 'X' on 1st July. The purchase price of the capital goods was ₹ 30 lakh exclusive of GST @ 18%.

However, effective from 1st November, exemption available on 'X' was withdrawn by the Central Government and GST @ 12% was imposed thereon. The turnover of the company for the half year ended on 30th September was ₹ 45 lakh.

Examine the above scenario and advise LMN Pvt Ltd. whether it needs to get registered under GST. **(4 Marks)**

- (c) Determine duty drawback with explanations in each of the following cases:
- (i) Dhronacharya & Co. has imported goods from Korea. Custom duty of ₹ 14,00,000 has been paid on the goods imported for use after importation and have been out of customs control for 14 months.
- (ii) Shrinivas exports manufactured goods having FOB value of ₹ 86,000. Rate of duty drawback on FOB value of exports is 40%. Market value of the export product is ₹ 96,000. **(5 Marks)**

5. (a) Karan is engaged in supplying certain goods in the State of Punjab from his factory located in Jalandhar, Punjab. He is not yet registered under GST. As his turnover is moving towards the applicable threshold limit for registration under GST, he approaches his tax advisor to ascertain the applicability of GST on the supply made by him.

His tax advisor is unable to determine whether supply of goods by Karan amounts to supply of goods under GST law and also, the classification of said goods. He advises Karan to apply for the advance ruling in respect of said issues. He told Karan that the advance ruling would bring him certainty and transparency in respect of the said issues and would avoid litigation later. Karan agrees with his view, but has some apprehensions.

In view of the information given above, you are required to advise Karan with respect to following:

- (i) Can Karan seek advance ruling to determine as to whether supply of goods by Karan amounts to supply of goods under GST law and if yes, to determine the classification of said goods?
- (ii) Karan is apprehensive that Authority for Advance Ruling may take years to pronounce its ruling. Whether his apprehension is correct? **(5 Marks)**
- (b) State the types of offence (cognizable or non-cognizable), prosecution, arrest and bail implications, if any, in respect of the following independent cases pertaining to June:
- (i) 'Bhaskar' fraudulently avails input tax credit of ₹ 200 lakh without any invoice or bill. However, he is yet to utilize the same.
- (ii) 'Raghav' fraudulently obtains the refund of tax of ₹ 550 lakh. The said tax has been recovered from the buyer also.

Note: Assume that in above cases, offence, if any, has been committed for the first time.

(4 Marks)

- (c) Mr. Bandhopadhyaya, an Indian entrepreneur, went to London to explore new business opportunities on 01.04.2021. His wife also joined him in London after three months. The following details are submitted by them with the Customs authorities on their return to India on 15.04.2022:
- (a) used personal effects worth ₹ 80,000,
- (b) 2 music systems each worth ₹ 50,000,

- (c) the jewellery brought by Mr. Bandhopadhyaya worth ₹ 48,000 [20 grams] and the jewellery brought by his wife worth ₹ 96,000 [40 grams].

With reference to Baggage Rules, 2016, determine whether Mr. and Mrs. Bandhopadhyaya will be required to pay any customs duty? **(5 Marks)**

6. (a) Discuss the liability to pay tax in case of an amalgamation/merger, under section 87 of the CGST Act, 2017. **(5 Marks)**
- (b) Discuss the power of the officer under GST law of access to business premises under section 71 of the CGST Act, 2017. **(4 Marks)**
- (c) Elaborate the provisions relating to the owner's right to deal with warehoused goods under section 64 of the Customs Act, 1962. **(5 Marks)**