FINAL EXAMINATION

December 2025

P–19(ITLP)
Syllabus 2022

INDIRECT TAX LAWS AND PRACTICE

Time Allowed: 3 Hours

Full Marks: 100

The figures in the margin on the right side indicate full marks.
All sections are compulsory. Each section contains instructions regarding the number of questions to be answered within the section.
Wherever necessary, candidates may make appropriate assumption(s) and state the same clearly in the respective answer.
All working notes must form part of the relevant answer.

Section – A

Answer **Question No. 1** *which is compulsory*

1. Choose the correct answer from the four alternatives given: 2×15=30

(i) A person purchases a bundle of toothpaste along with Toothbrush. Toothpaste under this case is liable to GST @12% and toothbrush for instance is liable to GST @18% and is sold as a single unit for a single price. What shall be the tax rate applicable in case of such supply?

(A) 18%

(B) 12%

(C) 6%

(D) Nil

(ii) What is the threshold limit of turnover in the preceding financial year for opting to pay tax under composition scheme for States other than special category States?

(A) ₹ 20 lacs

(B) ₹ 10 lacs

(C) ₹ 50 lacs

(D) ₹ 1.5 crore

(iii) While repairing the factory shed, few goods were also supplied along with the labour service. Whether it is a

(A) Composite Supply

(B) Mixed Supply

(C) Works Contract Service

(D) None of the above

(iv) What will be the value of supply if X & Co., supply Sony television set for ₹ 85,000 along with the exchange of an old TV and if the price of the Sony television set without exchange is ₹1,00,000, the open market value of the Sony television set is?

(A) ₹ 85,000

(B) ₹ 1,00,000

(C) ₹ 15,000

(D) ₹ 1,15,000

(v) If RR shipping Co. located in Chennai charges ocean freight charges for transport of goods to USA for a customer located in Hyderabad, the place of supply of service will be

(A) Chennai

(B) USA

(C) Hyderabad

(D) None of the above

(vi) M/s Naman Toy Ltd. is a manufacturer of plastic toys. It is registered under GST in Rohtak, Haryana . It furnishes the return on monthly basis. It procures its raw materials from Punjab. During the month of April, 2021, it purchased material of ₹ 38.00 lakh and paid IGST thereon amounting to ₹ 6.84 lakh. It supplied 30% of its production in the State of Jammu and Kashmir, whereas 70% of its production was supplied taxable @ 0.1% to a merchant exporter during the month of April, 2021.
The returns for the month of April, 2021 were duly filed in time, i.e. within the due date of 20th May, 2021. The last date upto which the taxpayer can claim refund of input tax credit on account of inverted duty structure is:

(A) 20th April, 2023

(B) 20th May, 2023

(C) 31st March, 2024

(D) 20th April, 2022

(vii) Suganya delayed 67 days in filing of GST returns for the month of December, 2024. Determine the effective amount of late fee payable. Assuming amount of CGST/SGST/UGST for June, 2025 is Nil.

(A) ₹ 500

(B) ₹ 2,000

(C) ₹ 5,000

(D) ₹ Nil

(viii) Mode of calculation on refund of ITC in zero rated supplies is as follows:

(A) Refund Amount = (Turnover of zero-rated supply of goods + Turnover of zero-rated supply of services) × Net ITC / Adjusted Total turnover

(B) Refund Amount = (Turnover of zero-rated supply of goods + Turnover of zero-rated supply of services) × Net ITC / Gross Total turnover

(C) Refund Amount = Turnover of zero-rated supply of goods × Net ITC / Adjusted Total turnover

(D) Refund Amount = Turnover of zero-rated supply of services × Net ITC / Adjusted Total turnover

(ix) Effective Nov, 2024, which new type of cases can be heard by the GST Appellate Tribunal?

(A) Refund appeals only

(B) Anti-profiteering matters

(C) Advance ruling rectification

(D) E-invoice violations

(x) TTY Ltd. generated e-way bill on 12th January at 14.00 hrs. It transported over-dimensional cargo for a distance of 100 km. The validity period of the e-way bill will expire ________ if there is no extension of the same.

(A) at midnight of 13th—14th January

(B) at midnight of 17th—18th January

(C) at 14.00 hrs. of 13th January

(D) at 14.00 hrs. of 14th January

(xi) Where the transport charges are not available, for ascertaining the assessable value for customs duty, the percentage of FOB value to be taken is

(A) 10%

(B) 20%

(C) 1.125%

(D) Nil

(xii) If declared transaction value between related parties is influenced by relationship, customs officer shall

(A) adjust upward to align with comparable uncontrolled value.

(B) accept value as declared.

(C) straightaway apply computed value method.

(D) reject and confiscate goods.

(xiii) What do you mean by Bona fide baggage?

(A) Used personal effects, travel souvenirs and articles other than those mentioned in Annexure III.

(B) Used personal effects, travel souvenirs and articles other than those mentioned in Annexure II.

(C) Used personal effects, travel souvenirs and articles other than those mentioned in Annexure I.

(D) None of the above.

(xiv) Mr. Sandeep imported textile machine from Australia and paid import duty thereon. The part of that machinery was not as per the specification and hence, Mr. Sandeep wants to export that part of the machinery. State whether drawback is available to Mr. Sandeep on export of part of machinery.

(A) The drawback is available at 98% if exported as such.

(B) The drawback is available at specified rate if exported after use.

(C) Drawback is not available, as export of part of machinery is not allowed.

(D) Either (A) or (B) above

(xv) Under the FTP, an exporter selling goods at below cost to a related party abroad will have export benefits computed on

(A) declared invoice price.

(B) domestic sale price.

(C) comparable uncontrolled price (arm's-length value).

(D) cost + 10% mark-up.

Section – B

Answer *any five* questions out of *seven* questions given.

Each question carries 14 Marks. 14×5=70

2. (a) "Certain transactions are treated as supply even when made without consideration, whereas some activities are treated as neither supply of goods nor supply of services." Explain this statement with reference to **Schedule I and Schedule III of the CGST Act, 2017**, giving two examples for each Schedule. **Examine in brief** the legal implications as regards taxability. **How are these** required to be disclosed in GST returns? 7

(b) **Explain** the various types of GST returns prescribed under the CGST Act, 2017, and state in brief, the compliance responsibilities (filed by whom) of different categories of taxpayers. 7

3. (a) Sunil and Sons 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 November, 2024:

Sr. No.	Particulars	Amount (₹)
(i)	Provided security services (services provided by way of supply of security personnel) to BCM Ltd., a registered person under GST	3,25,000
(ii)	Loading, unloading, packing and warehousing of tomato ketchup bottles	6,00,000
(iii)	Provided security services (services provided by way of supply of security personnel) to Dev Trust, an unregistered person under GST	1,00,000
(iv)	Provided renting of motor vehicle service for carrying passengers to CBM Travels Ltd. and supply value included cost of fuel	1,45,000
(v)	Provided renting of motor vehicle service for carrying passengers to Amisha & Co., a partnership firm and supply value included cost of fuel	50,000
(vi)	Received legal consultancy service from Ajay and Co., a law firm, for business purposes	90,000
(vii)	Services provided to Gujarat Government administration under a Health Training programme (80% of the total expenditure for said programme is borne by Gujarat Government.)	75,000

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.

Sunil and Sons commenced its business from April in the current financial year. All the above supplies are intra-State supplies.

Required :

Determine the GST liability (inclusive of GST liability for the supplies received, if any) of Sunil and Sons for the month of November, 2024 by giving necessary explanations for treatment of various items. 7

(b) Suraj, being a registered person under GST, supplied the following details of outward supplies related to the month of November, 2024:

Sr. No.	Particulars	Value in (₹)
(i)	Taxable supply of goods	25,00,000
(ii)	Exempted supply of goods	6,00,000
(iii)	Recovery Agent services supplied to JKY Bank Ltd.	3,00,000
(iv)	Deposit in Public Sector Bank on which interest received	1,50,000
(v)	Sale of land	10,50,000
	Total	46,00,000

Common input credit for the relevant tax period is ₹ 3,00,000.

GST applicable rate on outward and inward supply of goods and service is @ 18%

Required :

Assess the net GST liability of Suraj & Co., for the Month of November, 2024 along with detailed working notes. 7

4. (a) **Explain** TDS under GST as per Section 51 of the CGST, Act 2017. **Who** are the persons to deduct the TDS as per the Section 51 of the Act? 7

(b) **What** are the matters to be covered by advance ruling under section 97 of the CGST Act, 2017? 7

5. (a) **Determine** place of supply along with reasons in the following cases: 7

(i) Deshpande, registered in Mumbai, has availed land-line services from Jio. The telephone is installed in residential premises in Mysore and the billing address is office of Deshpande in Mumbai.

(ii) Prasad, residing in Mahrashtra, is travelling with 'Sahara Airlines' aircraft and is provided with movie-on-demand service for ₹ 650 as on-board entertainment during Delhi–Mahrashtra leg of a Singapore – Delhi – Mahrashtra flight.

(iii) Rajat of Kolkata purchased online tickets for Chill water park in Bhuvaneswar.

(iv) Prasanth Srinivas, an unregistered person of Kerala, sends a courier from Varanasi to his friend in Ranchi, Jharkhand while he was on trip to Varanasi.

(b) DSL Insurance company of India provides you the following information for the month of May, 2025.

(i) General policies: Total premiums collected ₹ 14,000 lakhs (Out of which 1st year premium is ₹ 6,000 lakhs)

(ii) Only Risk Cover Policies: Premiums collected ₹ 475 lakhs

(iii) Variable Insurance Policies: Premiums collected ₹ 9,000 lakhs (80% of the amount is allocated for investments on behalf of policy holder for which policy holder is given separate break up in premium receipts.)

Note: Applicable rate of GST 18%. For all transactions assume that location of supplier and place of supply is within the same State.

Required :

Assess GST payable by the company if the company has opted to pay GST as per Rule 32(4) of CGST Rules, 2017. 7

6. (a) **With reference** to the Foreign Trade Policy 2025, **explain in brief**, the objectives and salient features of Remission of Duties and Taxes on Exported Products (RoDTEP) scheme. 7

(b) **What are** the key benefits of Special Economic Zone? 7

7. (a) (i) Mr. Glen Wellmax of foreign origin of New Zealand has come on travel visa, to tour in India to see Mahabalipuram and Gangai Konda Cholopuram. He carries with him, as part of baggage, the following:

Particulars	Value in ₹
Travel Souvenir	1,12,500
Other articles carried on in person	2,37,000
140 sticks of cigarettes of ₹ 147 each	20,580
Fire arm with 100 cartridges (value includes the value of cartridges at @ ₹ 500 per cartridge)	50,000

Required :

Assess the Customs Duty payable, if the effective rate of Customs Duty applicable to baggage is 38.50% inclusive of social welfare surcharge, with short explanations where required. Ignore Agriculture infrastructure and development cess.

(ii) Mr. Donald Mask, a resident and citizen of Germany, visits India on a business tour. He made declaration to the proper officer about his baggage under Section 77 of the Customs Act, 1962 for the purpose of clearance. During the scrutiny of the declaration, proper officer found that some of the articles declared in baggage brought with him were prohibited to be entered in India and were detained by the officer. Although Mr. Donald Mask did not insist to clear those articles, value of those articles was very high and it was a difficult situation for him.

You are required to **advise** any procedure prescribed under Customs Law to overcome the situation.

Give your advice on the basis of relevant statutory provisions. 7

(b) JKH Industries Ltd., New Delhi has imported certain equipment (by sea) from Japan in the month of January 2025. The following particulars related to import are provided:

Sl. No.	Particulars	Amount
(i)	Cost of equipment up to port of exportation incurred by exporter	3,00,000 Yen
(ii)	Handling charges at port of exportation	15,000 Yen
(iii)	Freight charges up to India	40,000 Yen
(iv)	Designing charges paid to Consultancy firm in Mumbai	₹ 90,000
(v)	Buying commission paid by the JKH Industries	₹ 1,25,000
(vi)	Freight incurred from port of entry to Inland Container depot	₹ 55,000
(vii)	Actual insurance charges paid are not ascertainable	—
(viii)	JKH Industries Ltd. had incurred following cost for Packing in Japan as a condition of sale not included above: (1) Material 13,000 Yen (2) Labour Charges 6,000 Yen	

Other information

I.	**Bill of Entry:**	**Date 16/01/2025** *On the day*: (1) Basic Custom Duty (BCD) rate was 15%. (2) Exchange rate as notified by CBIC: 1 Yen = ₹ 0.64. (3) The inter-bank rate was 1 Yen = ₹ 0.66.
II.	**Entry inward:**	**Date 23/01/2025** *On the day*: (1) Basic Custom Duty (BCD) rate was 10%. (2) Exchange rate as notified by CBIC: 1 Yen = ₹ 0.67 (3) The inter-bank rate was 1 Yen = ₹ 0.69
III.	Rate of social welfare surcharge is 10%.	
IV.	Integrated tax leviable under Section 3(7) of Customs Tariff Act, 1975 is 12%.	
V.	Ignore GST Compensation cess and Agriculture infrastructure and development cess.	

Required :

Assess the total Customs Duties payable (rounded off to nearest one rupee) under Customs Act, 1962 with appropriate working notes. 7

8. (a) **Analyze** the transaction value in the hands of WWR Ltd. under GST law from the following details: 7

XYR Ltd. supplies raw material to a job worker WWR Ltd. After completing the job-work, the finished product of 5000 packets are returned to XYR Ltd. putting the retail sale price as ₹ 30 on each packet. The product in the packet is covered under MRP provisions.

Particulars	Value in ₹
Job worker's charges (including profit of ₹ 8,000)	40,000
Cost of raw material supplied by XYR Ltd.	35,000
Transportation charges for sending the raw material to the job worker	8,200
Transportation charges for returning the finished packets to XYR Ltd.	8,500
XYR Ltd. paid certain technology transfer fees to 'JJH Ltd.', so that 'WWR Ltd.' can use the said technology in the given job-work operation. This technology owned by XYR Ltd. for subsequent use as well.	32,000

Note: WWR Ltd. offered discount ₹ 6,000, provided full payment is made at the time of raising invoice and the same is mentioned in the invoice. XYR Ltd. made full payment at the time of issue of invoice.

Working note should form part of your answer.

(b) Following facts are furnished to you:

Assessee ASD Polymers Pvt. Ltd., Karnataka

Tax Period: FY 2024–25

(i) **Purchase of Machinery for Job Work:**

- Machinery purchased on 1-Apr-2022 for ₹ 40,00,000 + GST 18% (₹ 7,20,000)
- Sent to a **registered job worker** on 1-May-2022 for processing.
- Job worker **failed to return machinery within 1 year**. Machinery returned on 1-Jun-2024.
- ITC had been claimed in FY 2022–23.

(ii) **Sale of Machinery:**

- Machinery sold to a third party on 15-Jan-2025 for ₹ 25,00,000.

(iii) **Sale of Car:**

- Car purchased on 10-Feb-2022 for ₹ 10,00,000 + GST 18% (₹ 1,80,000)
- Sold in FY 2024–25 (15-Feb-2025) for ₹ 6,00,000.

(iv) **Gifts / Free Samples:**

- During FY 2024–25, gifted products worth ₹ 2,00,000 + GST 18% to agents for marketing purposes.

(v) **Other Purchases:**

- Regular raw materials purchased: ₹ 15,00,000 + GST 18% (₹ 2,70,000)
- All used in taxable outward supplies.

Required:

(I) **Assess** the **eligible ITC** for FY 2024–25.

(II) **Identify ITC reversal**, if any, on:

- Machinery sent to job worker returned late
- Sale of machinery on which ITC had been claimed earlier
- Sale of vehicle on which ITC had been claimed earlier
- Gifts to agents 7