

**CA Final (Sep 2025)**  
**Paper 5 – Indirect Tax Laws (By CA Akshansh Garg)**

**Time allowed: 3 Hours**

**Maximum Marks: 100**

1. Part B of Question paper comprises of 6 questions. Question No. 1 is compulsory and answer any 4 questions from the remaining 5 questions.
2. Working notes should form part of the answer.

**Part A – Case Scenario based MCQs (30 Marks)**  
**Part A is Compulsory.**

**Case Scenario 1 [MCQ 1-3]**

*(3 MCQs x 2 m = 6 marks)*

Techkart Limited owns and operates a web portal in the name of “Techkart” and is registered with the jurisdictional GST authorities in Delhi as an electronic commerce operator and is liable to collect tax at source under section 52. Techkart provides listing service to various sellers for selling the goods to ultimate customers. Besides this, Techkart also sells its own products through the same web portal.

For the listing services provided to sellers, Techkart charges a listing fee at the rate of 10% of turnover of goods sold by the seller in a particular month. Such listing fee is recovered from the seller irrespective of any return of goods sold through Techkart. The customers can choose from wide range of goods listed on the web portal and place an online order for goods. The payment is made by the customers through the payment gateway in online mode only. At the time of monthly settlement, Techkart makes the payment to the sellers after adjusting the tax collection at source at the applicable rates.

The invoice for goods sold on Techkart is issued by the seller in the name of customers and tax is charged on the basis of location of seller and customer. The goods are shipped directly by the seller to the customer and there is no responsibility of shipping the goods on Techkart for third party sellers. In case of return of goods by the customer, the shipping is arranged by Techkart. It charges a fee equivalent to 20% of the value of goods returned as cancellation charges and refunds the balance amount to the customer. Further, 10% of the value of goods returned is collected from the seller by Techkart as handling charges for return of goods.

In the month of January, Pulkit, a resident of Rajasthan, purchased following goods from Techkart:

- (a) Laptop having a value of ₹ 50,000 and a printer having a value of ₹ 10,000. Both the products are sold by Infocom Limited, a seller listed on Techkart and registered under GST in the State of Uttar Pradesh.
- (b) Mobile phone having a value of ₹ 30,000 sold by Techkart in its own capacity.
- (c) CCTV camera system having a value of ₹ 1,00,000 sold by Secure World, listed on Techkart and registered under GST in the State of Gujarat.

All the above transactions are exclusive of GST, wherever applicable.

The opening balance of input tax credit for the relevant tax period for Techkart, Infocom Limited and Secure World is nil. Further, there is no other inward or outward supply transaction for Techkart, Infocom Limited and Secure World in January apart from the aforementioned transactions. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled.

GST is applicable in the aforesaid case scenario at the following rates unless otherwise specified: CGST - 9%, SGST - 9%, IGST - 18%.

**Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 1 to 3 below :-**

1. The net tax liability (including amount collected as TCS) of Techkart Limited for the month of January is:
  - (a) IGST ₹ 9,880
  - (b) IGST ₹ 5,400
  - (c) CGST ₹ 3,500 and SGST ₹ 3,500
  - (d) IGST ₹ 9,080
  
2. The net GST payable in cash (after set-off of credits, if any) of Infocom Limited and Secure World for the month of January is:
  - (a) IGST ₹ 10,800 and IGST ₹ 18,000 respectively
  - (b) IGST ₹ 9,720 and IGST ₹ 16,200 respectively
  - (c) IGST ₹ 9,420 and IGST ₹ 15,700 respectively
  - (d) IGST ₹ 9,120 and IGST ₹ 15,200 respectively
  
3. Assuming that Pulkit returns the printer purchased from Infocom Limited in the month of January. As per the return policy, Techkart charges 20% of the value of the printer as cancellation charges from Pulkit and 10% of the value of the printer as handling charges from Infocom Limited. The net tax liability (including amount payable as tax collection at source and after set-off of credits, if any) of Techkart in such scenario for the month of January would be:
  - (a) ₹ 6,900 payable as IGST
  - (b) ₹ 3,450 payable as CGST and ₹ 3,450 payable as SGST
  - (c) ₹ 9,570 payable as IGST
  - (d) ₹ 10,320 payable as IGST
  
4. M/s. Zenith Importers received an assessment order from the Customs Officer on May 15, 2025, for a consignment of imported goods, determining a customs duty liability of ₹ 50,000. Zenith Importers believed the assessment was incorrect and paid the duty under protest on June 1, 2025. On December 10, 2025, they filed a refund claim for the entire ₹ 50,000, arguing that the goods were incorrectly classified, leading to an overpayment of duty. No appeal against the assessment order was filed.

Based on the provisions of the Customs Act, 1962, which of the following statements is most likely correct regarding Zenith Importers' refund claim?

- (a) The refund claim is valid because it was filed within one year from the date of payment of duty, and payment under protest preserves the right to claim a refund.
- (b) The refund claim should be processed by the Customs Officer, who can review the original assessment order to determine if the classification was indeed incorrect.

- (c) The refund claim is liable to be rejected because it attempts to challenge an order of assessment without filing a proper appeal within the prescribed timelines.
- (d) Zenith Importers can convert their refund claim into an appeal, provided they pay the differential appeal fees within 30 days of the refund claim being filed.

*(2 marks)*

5. M/s Pioneer Electronics, a manufacturer-exporter holding a valid Advance Authorisation, imports inputs duty-free which are physically incorporated into the export product. Due to a drop in foreign demand, the firm is unable to export the full quantity of goods and decides to sell part of the imported inputs in the domestic market (DTA) after completing 60% of the export obligation.

As per the provisions of the Foreign Trade Policy, which of the following consequences will arise due to this action?

- (a) M/s Pioneer Electronics can freely transfer the unutilized inputs in the DTA after paying IGST only.
- (b) M/s Pioneer Electronics can dispose of the inputs in DTA by paying applicable duties and without any permission.
- (c) M/s Pioneer Electronics is prohibited from transferring the unutilized inputs in DTA and must either export the remaining quantity or destroy the inputs.
- (d) M/s Pioneer Electronics can sell inputs in DTA only after paying duty and obtaining permission from the DGFT.

*(2 marks)*

**Case Scenario 2 [MCQ 6-10]****(5 MCQs x 2 m = 10 marks)**

Shreyans Ltd. (hereinafter referred as “company”) is a conglomerate having diversified businesses including hotels, FMCG (Fast-Moving Consumer Goods), information technology etc. It has its corporate office in Delhi and operations across multiple States in India. As an internal policy, the company has obtained single GST registration in each State irrespective of the diversified business operations being undertaken in the State. During the month of April, the company undertook the following transactions:

- (a) The FMCG division of the company in Jaipur, Rajasthan agreed to use the vacant godown within the premises of Hotel Division in Udaipur, Rajasthan for storage of its goods. The value of such an arrangement was agreed at ₹ 5 lakh per month. Said amount was agreed to be adjusted by way of intra-division book adjustment on a monthly basis.
- (b) The Hotel Division of the company in Maharashtra used the IT platform owned and managed by the IT Division of the company in Delhi. The value of such services was determined as ₹ 12 lakh per month. The IT division treated the same as deemed supply liable to GST as per Schedule I of the CGST Act, 2017 and charged GST on such deemed supply in the invoice issued to Hotel Division on 25<sup>th</sup> April. The Hotel Division availed the input tax credit of such deemed supplies from its Maharashtra Office in April itself. However, no payment was made for such services by the Hotel Division to the IT Division.
- (c) The Executive Director, as part of his salary and perquisites under the employment agreement, was eligible for a voucher worth ₹ 5 lakh, redeemable at any hotel property of the company in India. The voucher was used by the Executive Director for the stay of his family in a company owned hotel in Udaipur, Rajasthan. The total amount charged from the Executive Director was ₹ 25 lakh. The voucher value of ₹ 5 lakh was deducted from such amount at the time of payment.
- (d) The Hotel Division provided accommodation services to a US citizen and resident for a wedding ceremony organized at its hotel in Udaipur, Rajasthan. The total amount of ₹ 2 crores for such services was paid by an Indian individual residing in Delhi on behalf of the US resident in Indian currency. The amount was received by the Mumbai, Maharashtra Office of Hotel Division.
- (e) The company received long term lease of an industrial plot from Maharashtra Industrial Development Corporation (MIDC) in auction against payment of an upfront amount as lease premium of ₹ 20 crores for a period of 50 years. The company paid location charges of ₹ 5 crores in addition to the said premium.

The rate of GST in case of intra-State supplies, unless otherwise provided shall be 9% CGST and 9% SGST) and for inter-State supplies shall be 18% IGST. All the divisions of the Company are eligible for 100% input tax credit unless otherwise specified.

**Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 6 to 10 below:-**

6. Which of the following statements is correct in respect of the services related to usage of vacant godown?
  - (a) The Hotel Division shall charge CGST and SGST amounting to ₹ 45,000 each in the tax invoice issued to FMCG Division.
  - (b) No GST is chargeable on usage of vacant godown of Hotel Division.
  - (c) The Hotel Division shall charge IGST amounting to ₹ 90,000 in the tax invoice issued to FMCG Division.

- (d) The Hotel Division, Rajasthan shall charge IGST amounting to ₹ 90,000 in the tax invoice issued to Corporate Office in Delhi.
7. Assuming that the payment for utilization of IT platform has not been made by the Hotel Division to the IT Division till the end of October month of the current financial year, the Hotel Division:
- (a) should reverse the input tax credit so availed while filing Form GSTR-3B of the October month.
  - (b) need not reverse the input tax credit so availed in Form GSTR-3B of the October month.
  - (c) should have availed the input tax credit only after the end of the current financial year and not in April.
  - (d) should not have availed the input tax credit in respect of said transaction as the same is deemed supply under Schedule I of the CGST Act, 2017.
8. In relation to the stay of Executive Director's family in the company owned hotel in Udaipur, Rajasthan, value of supply of accommodation services provided by the Hotel Division is:
- (a) ₹ 25 lakh
  - (b) ₹ 20 lakh
  - (c) Supply of services by employer to employee is not a taxable supply under GST.
  - (d) ₹ 5 lakh
9. For the accommodation services provided to the US resident and citizen, the place of supply shall be:
- (a) Udaipur
  - (b) Delhi
  - (c) Mumbai
  - (d) USA
10. In respect of the long-term lease of the industrial plot received from Maharashtra Industrial Development Corporation (MIDC),
- (a) upfront lease premium of ₹ 20 crores is exempt. However, the location charges of ₹ 5 crore are liable to GST.
  - (b) GST is payable on the upfront lease premium of ₹ 20 crores. No GST is payable on the location charges.
  - (c) GST is exempt on the entire premium of ₹ 25 crores including location charges.
  - (d) GST is payable on the entire upfront premium of ₹ 25 crores including location charges.

**Case Scenario 3 [MCQ 11-15]****(5 MCQs x 2 m = 10 marks)**

AC Petroleum Limited is engaged in the business of refining and marketing of petroleum products. It has one refinery each in the States of Tamil Nadu, West Bengal & Maharashtra and numerous administrative and marketing offices spread across the country.

The company has separate marketing cum administrative offices for every major State and common administrative cum marketing offices for a group of small States e.g., all north-eastern States are covered under one marketing cum administrative office. The company also blends lubricants in its blending plants located in the States of Maharashtra and Tamil Nadu.

As a policy, all the places of business of the company in a State are registered under GST under one registration.

Imported crude is used as input in the refinery and following major products are extracted after refining process:

<b>Products chargeable to GST on forward charge basis (Group A)</b>	<b>Products not chargeable to GST (Group B)</b>
Base oil (An input for blending lubricants)	Petrol
Furnace oil	Diesel
Bitumen (Used for road construction)	Air turbine fuel
LPG (Domestic and Industrial)	

Base oils are further sent to blending plants where they are blended with additives to produce lubricants. The company provides the following particulars for States of Tamil Nadu, Maharashtra and West Bengal for the month of January:

**(Amount in thousands)**

<b>Particulars</b>	<b>Tamil Nadu (₹)</b>	<b>Maharashtra (₹)</b>	<b>West Bengal (₹)</b>
Value of supply inclusive of all taxes/duties (Group B products)	1,650	3,400	1,575
Value of supply (Group A products) before all taxes/duties	100	200	20
Excise duty leviable on supply of Group B products	500	1,000	110
VAT on supply of Group B products	250	600	65
Tax paid on inputs and input services procured at the blending plant	5	6	0
Tax paid on spares procured at the refinery (Spares are booked in revenue account)	3	8	0
Tax paid on inputs and input services procured at the marketing cum administrative office	2	3	1
Tax paid on capital asset procured at the blending plant	0	5	0
Tax paid on capital asset procured at the refinery	12	0	0

Due to sudden fire in the store-room of the refinery located in Maharashtra on 28<sup>th</sup> February, the entire quantity of spares procured in the month of February itself, gets destroyed.

Assume that all of the Group A products are chargeable to GST @ 18% (including both CGST and SGST or IGST, as the case may be).

The opening balance of input tax credit of AC Petroleum Limited for the relevant tax period is nil. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled. Further, there is no other inward or outward supply transaction for AC Petroleum Limited in January and February apart from the aforementioned transactions.

**Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 11 to 15 below:-**

- 11.** The value of company's supply in the Union Territory of Puducherry is ₹ 32,34,000 (Group A products) and in the State of Goa is ₹ 18,38,000 (Group A and Group B products) for the current financial year. GST registration is:
- (a) not required for both Puducherry and Goa
  - (b) not required for Goa but required for Puducherry
  - (c) required for both Puducherry and Goa
  - (d) not required for Puducherry but required for Goa
- 12.** The eligible ITC attributable to taxable supply, available at marketing cum administrative office located in the State of Maharashtra, for the month of January, is:
- (a) ₹ 3,000
  - (b) ₹ 300
  - (c) ₹ 166.67
  - (d) ₹ 1,500
- 13.** The eligible ITC attributable to taxable supply in respect of the capital asset procured in the State of Tamil Nadu, for the month of January is:
- (a) ₹ 12,000
  - (b) ₹ 200
  - (c) ₹ 11,811.11
  - (d) ₹ 11,820
- 14.** Lubricant valued at ₹ 10,000 has been stock transferred from the blending plant located in the State of Tamil Nadu to the refinery located in the same State, in the month of January. The GST (CGST and SGST) payable on such transaction is:
- (a) nil as the transaction is not a supply.
  - (b) ₹ 900
  - (c) ₹ 1,800
  - (d) nil as such supply is exempted from GST.

15. What action is required from AC Petroleum Limited in respect to the spares destroyed by fire in February?
- (a) No action is required on the part of AC Petroleum Limited under GST Law.
  - (b) AC Petroleum Limited should report to jurisdictional GST Department for verification of the loss of inputs on account of fire.
  - (c) AC Petroleum Limited should not avail ITC of tax paid on the spares.
  - (d) AC Petroleum Limited should reverse the ITC availed on the same.

## Part B – Descriptive Questions (70 Marks)

Q1.

(14 marks)

Mr. Keyur is the owner of Keyur Associates which is registered in Ahmedabad, Gujarat. He is engaged in supply of various goods and services in the domestic market and exporting the same outside India. During the month of February, he has undertaken the following transactions:

### Outward Supplies

- (i) Transferred the tenancy rights of a commercial complex (taken on rent) located in Vadodara for a tenancy premium of ₹ 8,00,000 to DB Morgan Ltd. of Ahmedabad, Gujarat. Stamp duty and registration fee have already been paid on the tenancy premium.
- (ii) Hired out excavators and dumpers alongwith operators to mining lease holders of Kuchchh, Gujarat for extracting and transporting minerals within the mining area for a period of 5 years. The excavators/dumpers are invariably hired out along with operators. Similarly, operators are supplied only when the excavators/dumpers are hired out. Hire charges for excavators and dumpers are ₹ 10,00,000 and service charges for supply of manpower for operation of the excavators/dumpers - ₹ 2,00,000.
- (iii) Supplied goods of value of ₹ 35,00,000 to Choksi Ltd. Jamnagar, Gujarat (including goods worth ₹ 10,00,000 supplied to SEZ unit of Choksi Ltd. in Gujarat).
- (iv) Agreed to provide consultancy services to Mr. Krishna of Surat, Gujarat who is an unregistered person in connection with his newly commenced business for a consideration of ₹ 6,80,000. An advance of ₹ 1,50,000 has been received for the same on 10<sup>th</sup> February.
- (v) Exported the goods to George Inc. of the USA. FOB value of the goods is ₹ 8,40,000.
- (vi) Sold a heavy printing machinery purchased from Japan for ₹ 5,10,000 in high sea to Dhoomketu Printers, Mumbai, Maharashtra on 10<sup>th</sup> February.
- (vii) Supplied goods to Timahi Corporation, China for ₹ 12,00,000 on 15th February. These goods were purchased for ₹ 10,00,000 from Jamsam Corporation, Japan on 5th February and were supplied in China without bringing them to India.

### Inward Supplies

- (i) The goods exported to George Inc., USA, were purchased by Mr. Keyur as a merchant exporter for ₹ 7,00,000 from Shravan Ltd., a manufacturer registered in Bengaluru, Karnataka.
- (ii) The heavy printing machinery sold in high sea to Dhoomketu Printers was originally imported by Mr. Keyur from Japan on 2<sup>nd</sup> February, with CIF value of ₹ 5,00,000 and FOB value of ₹ 4,50,000.

- (iii) Mr. Keyur paid a sales commission of ₹ 5,00,000 to Mr. Kenzo of Japan, his agent in connection with all the imports from Japan.
- (iv) Imported raw materials from Italy under a CIF contract. CIF value of the goods for the purpose of customs included ₹ 2,00,000 as ocean freight paid by the exporter on transport of goods through vessel from port of shipment to port of import. The value for the purpose of levy of IGST worked out by the customs was ₹ 9,00,000.
- (v) Purchased raw cotton for manufacture of garments for ₹ 12,00,000 from Mr. Poonawala, an agriculturist of Kuchch, Gujarat.
- (vi) Monthly rent of ₹ 35,00,000 payable to Dharam Ltd., Gujarat, for the retail outlet (a commercial property) in Ahmedabad, Gujarat (one third of total space available is used by Mr. Keyur for personal residential purposes).

Compute the net GST payable in cash [CGST & SGST or IGST, as the case may be], by Mr. Keyur for February.

**Notes:**

- A. Rates of CGST, SGST and IGST for hiring out of excavators and dumpers are 6%, 6% and 12%. As regards the supply received as a merchant exporter, Mr. Keyur paid GST at the concessional rates by fulfilling all requisite conditions thereof. Rates of CGST, SGST and IGST for all the other supplies of goods and services including supply of manpower services are 9%, 9% and 18%. Ignore GST compensation cess.
- B. Mr. Keyur had an opening balance of ITC of CGST of ₹ 35,000 and SGST of ₹ 35,000 for the relevant period. In respect of all the inward supplies, suppliers have uploaded their invoices in respective Form GSTR-1 and the supplies are reflected in Form GSTR-2B.
- C. All the figures given above are exclusive of GST, wherever applicable. The amounts given in respect of import and export transactions in rupees have been arrived after conversion thereof, though transactions were undertaken in convertible foreign currency.
- D. Mr. Keyur always makes zero-rated supplies under a bond or letter of undertaking (LUT).

Provide supporting explanatory notes for your conclusion wherever required.

**Q2(a).****(5 marks)**

ABC Ltd., a registered supplier in Surat, Gujarat has calculated output net GST liability after adjusting ITC in the books for the month of February 2021:

CGST : ₹ 3,00,000

SGST : ₹ 2,50,000

IGST : ₹ 3,00,000

During the above month, the following additional information is provided by ABC Ltd.:

S. No.	Particulars	(₹ excluding GST)
1	The company had given on hire 5 trucks to one of the transporters of Vadodara (a goods transport agency) for transporting goods for 10 days. The hiring charges for the trucks were ₹ 7,500 per truck per day.	3,75,000
2	The company sold goods to X & Co. of Delhi on 6th January 2021 with a condition that interest @ 2% per month will be charged on invoice value if X & Co. failed to make payment within 30 days of the delivery of the goods. Goods were delivered and also the invoice was issued on 6 <sup>th</sup> January 2021. X & Co. paid the consideration for the goods on 20 <sup>th</sup> February along with applicable interest.	5,00,000
3	The company sought legal consultancy services for its business from A & Advocates, a partnership firm of advocates situated at Bhuj, Gujarat.	1,50,000
4	The company ordered 3,000 packets of tools which are to be delivered by the supplier of Delhi via 3 lots of 1,000 packets monthly. The supplier raised the invoice for full quantity in February 2021 and the last lot would be delivered in April 2021.	5,00,000
5	The company supplied 10,000 packets of tools to one of its customer at ₹ 10/- per packet in Gujarat in January 2021. Afterwards, the company re-values it at ₹ 9 per packet in February 2021 and the company issued credit note to the customer for ₹ 1 per packet.	

The rate of GST is 9% CGST, 9% SGST and 18% IGST.

You are required to compute the actual net liability of GST to be paid in cash along with working notes for the month of February 2021.

**Q2(b).****(4 marks)**

Regal Foundation of Commerce organized a business summit in Surat, Gujarat, in which all the startups were invited to pitch their business ideas. Pandit Jewels Pvt Ltd., registered in the State of Maharashtra, sponsored the summit and paid a sponsorship fee of ₹ 1,50,000 to Regal Foundation of Commerce.

You are required to determine, who is the person liable to pay tax if:

- (i) Regal Foundation of Commerce is a body corporate.
- (ii) Regal Foundation of Commerce is not a body corporate.

**Q2(c).****(5 marks)**

Mr. Pramod imported second-hand goods from a UK supplier by air, which was contracted on CIF basis. However, there were changes in prices in the international market between the date of contract and actual importation. As a result of several negotiations, the parties agreed for a negotiated price payable as follows:

Particulars	Contract Price (£)	Changed Price (£)	Negotiated Price (£)
CIF Value	5000	5800	5500
Air Freight	300	600	500
Insurance	500	650	600

Other details for computing assessable value and duty payable are tabled below:

Particulars	Amount
Vendor inspection charges (inspection carried out by foreign supplier on his own, not required under contract or for making the goods ready for shipment)	£ 600
Commission payable to local agent @ 1% of FOB in local currency	

Date of Bill of Entry	BCD	Exchange Rate in ₹ (notified by CBIC)
18 <sup>th</sup> February	10%	₹ 102
Date of arrival of aircraft	BCD	Exchange Rate in ₹ (notified by CBIC)
15 <sup>th</sup> February	15%	₹ 98
The inter-bank rate was 1 UK Pound = ₹ 106		

Compute the assessable value and calculate basic customs duty payable by Mr. Pramod.

**Q3(a).****(4 marks)**

Mr. Muttswami, an electronics dealer registered in Bangalore, Karnataka hired M/s Parivahan Logistics, an unregistered Good Transport Agency (GTA), to deliver his goods at the place of business of customer in Jaipur, Rajasthan. M/s Parivahan Logistics charged ₹ 60,000 for the transportation of goods, which was paid by Muttswami on 4<sup>th</sup> January through account payee cheque. The delivery was also made on the same day.

M/s Parivahan Logistics did not raise the tax invoice for these services, since it was unregistered.

In this case, you are required to determine:

- (i) Person liable to issue the tax invoice
- (ii) Time limit for issuance of the tax invoice
- (iii) Time of supply of transportation services provided by GTA, assuming that tax invoice is issued on the last day on which it should have been issued.

**Q3(b).****(6 marks)**

Hindustan Engineering Pvt. Ltd., a registered supplier, is engaged in providing expert maintenance and repair services for large power plants that are in the nature of immovable property, situated all over India. The company has its Head Office at Bangalore, Karnataka and branch offices in other States. The work is done in the following manner.

- The company has self-contained mobile workshops, which are container trucks fitted out for carrying out the repairs. The trucks are equipped with items like repair equipments, consumables, tools, parts etc. to handle a wide variety of repair work.

- The truck is sent to the client location for carrying out the repair work. Depending upon the repairs to be done, the equipment, consumables, tools, parts etc. are used from the stock of such items carried in the truck.
- In some cases, a stand-alone machine is also sent to the client's premises in such truck for carrying out the repair work.
- The customer is billed after the completion of the repair work depending upon the nature of the work and the actual quantity of consumables, parts etc. used in the repair work.
- Sometimes the truck is sent to the company's own location in other State(s) from where it is further sent to client locations for repairs.

Work out the GST liability [CGST & SGST or IGST, as the case may be] of Hindustan Engineering Pvt. Ltd., Bangalore on the basis of the facts as described, read with the following data for the month of November.

S. No.	Particulars	₹
A.	Truck sent to own location in Tamil Nadu (i) Value of items contained in the truck - ₹ 3,00,000 (ii) Value of truck - ₹ 25,00,000	
B.	Truck sent to a client location in Tamil Nadu for carrying out repairs. Stand-alone machine is also sent in the truck to client location for repairs (i) Value of items contained in the truck – ₹ 2,85,000 (ii) Value of stand-alone machine - ₹ 4,00,000 (iii) Value of truck - ₹ 20,00,000 (Billing for repairs to be done afterwards depending upon the actual items used)	
C.	Truck sent to a client location in Karnataka for carrying out repairs (i) Value of items contained in the truck - ₹ 1,06,000 (ii) Value of truck - ₹ 20,00,000 (Billing for repairs to be done afterwards depending upon the actual items used)	
D.	Invoices raised for repair work carried out in Tamil Nadu [including the invoice for repair work done in 'B'] -	70,00,000
E.	Invoices raised for repair work carried out in Karnataka [including the invoice for repair work done in 'C']	12,00,000

Also, specify the document(s), if any, which need to be issued by Hindustan Engineering Pvt. Ltd., Bangalore for the above transactions.

All the given amounts are exclusive of GST, wherever applicable. Assume the rates of taxes to be as under:

	CGST	SGST	IGST
Items used for repairs	6%	6%	12%
Container truck, Stand-alone machines	2.5%	2.5%	5%
Works contract for repairs & maintenance of immovable property	9%	9%	18%

Make suitable assumptions, wherever necessary.

**Q3(c).**

**(4 marks)**

Mr. N has, over three consignments of 200, 400 and 400 units, imported a total of 1000 units of an article "ZEP", which has been valued at ₹ 1,150 per unit. The customs duty on this article has been assessed ₹ 250 per unit. He adds his profit margin ₹ 350 per unit and sells the article for ₹ 1,750 per unit.

After one month of selling the entire consignment of article "ZEP", Mr. N found that there had been an error in payment of amount of duty, in which duty for the consignment of 200 units was paid as if it was 400 units, resulting in excess payment of duty. Mr. N files an application for refund for ₹ 50,000 (200 X 250). Is the bar of unjust enrichment attracted?

**Q4(a).**

**(5 marks)**

Mr. Shambhu, a trader registered under GST in Delhi is engaged in wholesale business of toys for kids. Mr. Nandi registered under GST in Patiala; a regular return filer supplies toys in bulk to Mr. Shambhu for selling to end consumers.

Mr. Shambhu paying tax in regular scheme in Delhi, has not filed GSTR-3B for last 2 months. Mr. Nandi wants to generate e-way bill for toys amounting to ₹ 5,00,000 to be supplied to Mr. Shambhu. Also Mr. Narayan from Jammu approached Mr. Shambhu for purchasing toys amounting to ₹ 75,000 for the purpose of return gift on his son's first birthday party. Shambhu wants to generate an e-way bill in respect of an outward supply of goods to Mr. Narayan.

Examine with reference to the provisions under GST law, whether Mr. Nandi and Mr. Shambhu can generate e-way bill?

**Q4(b)(i).**

**(3 marks)**

Apex Cinemas, a registered person engaged in making supply of services by way of admission to exhibition of cinematograph films in multiplex screens was issuing consolidated tax invoice for supplies at the close of each day in terms of section 31(3)(b) of the CGST Act, 2017 read with fourth proviso to rule 46 of the CGST Rules, 2017.

During the month of February, 2024, the Department raised objection for this practice and asked to issue separate tax invoices for each ticket.

Advise Apex Cinemas for the procedure to be followed in this regard.

**Q4(b)(ii).**

**(2 marks)**

Examine whether the supplier of goods is liable to get registered in the following independent cases:

- (i) Rudra Builders of Rohini, Delhi is exclusively engaged in intra-State taxable supply of building bricks. Its aggregate turnover in the current financial year is ₹ 23 lakh.
- (ii) Heera of Himachal Pradesh is exclusively engaged in intra-State taxable supply of footwear. His turnover in the current financial year (FY) from Himachal Pradesh showroom is ₹ 32 lakh. He has another showroom in Nagaland with a turnover of ₹ 11 lakh in the current FY.

**Q4(c).**

**(4 marks)**

Mr. Rahul Mehra, an Information Technology (IT) professional and a person of Indian origin, has been residing in the United States for the past 14 months. He is now planning to return permanently to India and wishes to bring with him a used washing machine weighing 15 kg and purchased approximately 6 months ago in the USA for a price of ₹1,85,500. The washing machine has been used solely for his personal needs in his home during his stay abroad. However, Mr. Mehra is unaware of the customs implications and the legal provisions under the Baggage Rules, 2016 applicable to such imports.

Analyze and summarize the related legal provision of Baggage Rules, 2016 and provide him some advice in this regard. Relevant legal provisions should form part of your answer.

**Q5(a).**

**(5 marks)**

In an appeal filed with the High Court by Prateek Ltd., on the question whether activity undertaken by Prateek Ltd. amounts to supply, the appeal was decided in favour of Prateek Ltd. The amount of tax, interest and penalty involved were IGST of ₹ 1.2 crore, interest of ₹ 60 lakh and penalty of ₹ 50 lakh.

However, the Department does not agree with the order passed by the High Court and contends that the said activity amounts to supply under GST. The Department wants to file an appeal before the Supreme Court relating to the dispute pertaining to demand of tax, interest and penalty. You are required to examine whether appeal can be filed by the Department in the given case. Will your answer change, in case matter is related to valuation of services instead of determining whether the said activity amounts to supply?

**Q5(b).**

**(4 marks)**

**Discuss the amount of tax and penalty to be paid, if any, in the following independent cases where show cause notices are issued under section 74A of the CGST Act, 2017.**

S.No	Date on which credit was taken wrongly	Amount of input tax credit taken wrongly (₹ in lakh)	Present status
1	20 <sup>th</sup> May, 2024	70	Order passed on 21 <sup>st</sup> July, 2026 demanding the entire amount of credit with interest & penalty.
2	10 <sup>th</sup> January, 2025	110	Order passed on 8 <sup>th</sup> August, 2026 demanding interest & penalty.
3	10 <sup>th</sup> March, 2025	200	Show cause notice has been issued on 15 <sup>th</sup> July, 2026 demanding the entire amount with interest & 100% penalty.
4	5 <sup>th</sup> July, 2025	100	Statement of the Managing Director has been recorded on 10 <sup>th</sup> August, 2026 wherein he has admitted wrongly availment of credit. However, no notice has been issued.

In all the cases, the assessee wants to pay tax on 19<sup>th</sup> September, 2026.

**Q5(c).**

**(5 marks)**

'Mezo Blanca', a firm registered in India imported certain items of machine equipment from China. These items were bestowed with subsidy by the Chinese Government for production as well as export to other countries. Considering the impact of subsidized articles being imported into India, Indian Government imposed Countervailing Duty u/s 9 of the Customs Tariff Act, 1975 on the import of said items. Mezo Blanca managed to import the same product with altering the name of the product. But Proper Officer imposed Countervailing Duty on the said import.

Mezo Blanca seeks your advice on the correctness of the action of the Proper Officer and also want to know the different ways of circumvention which are prohibited.

**Q6(a).**

**(5 marks)**

Mr. Sandeep Verma, owner of Sunline Enterprises, is registered under GST. GST officials receive information that the firm has fraudulently claimed ₹ 5 crore ITC using fake invoices from non-existent firms. Investigation reveals Mr. Verma is the key person behind multiple such fake entities. He is uncooperative, avoids summons, and is suspected of destroying evidence and influencing witnesses.

The investigating officer recommends arrest, but a senior officer advises caution, stating that arrest powers must be used only when necessary. In the context of the above case, discuss the factors that must be considered before power to arrest has been exercised.

**Q6(b).**

**(4 marks)**

A Ltd. is registered under GST in Rajasthan, Delhi, Haryana and Punjab. Due to closure of business activities in Rajasthan with effect from May 31, 2023, A Ltd. filed an application for cancellation of registration before the jurisdictional tax authorities of Rajasthan. The application for cancellation of registration was filed on June 30, 2023. The registration was suspended with immediate effect from June 30, 2023, by the jurisdictional tax authorities. The final order of cancellation was dated July 31, 2023.

You are required to advise A Ltd. regarding the last date for filing the final return by it in Rajasthan.

Further, A Ltd. was also registered as an ISD (Input Service Distributor) in Rajasthan; said registration was cancelled with effect from June 30, 2023 with an order dated July 31, 2023. Advise whether the final return is required to be filed upon cancellation of ISD registration by A Ltd.? If yes, what is the due date for filing said final return?

**Q6(c).**

**(5 marks)**

What are the salient features of Duty-Free Import Authorization Scheme (DFIA)? Which duties are exempted under this scheme?

**OR**

Indicate the privileges/benefits available to "Status Holders" under FTP 2023.