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**CA FINAL (Nov 2024)**  
**GROUP II – PAPER 5**  
**INDIRECT TAX LAWS**  
**(Series 3)**

**Time Allowed: - 3 Hours**

**Maximum Marks: 100**

**This question paper comprises two parts, Part I and Part II.**  
**Part I comprises MCQ & Part II comprises questions which require descriptive answers.**

**PART - I (MCQs)**  
**All MCQs are compulsory**

**Question no. 1-15 carry 2 marks each**

***This Case Scenario contains MCQ 1-5***

PTL Pvt. Ltd. is a retail store of merchandise located in 25 States and/or UTs in the country. For the purpose of clearance of stock of merchandise and to attract consumers, PTL Pvt. Ltd. launched scheme of “Buy One Get One Free” for the same type of merchandise, for instance, one shirt to be given free with purchase of one shirt. For saving cost, PTL Pvt. Ltd. directly purchases merchandise from the manufacturers.

In the month of May, in order to save employee cost, PTL Pvt. Ltd. purchased a tempo traveller worth ₹ 12,00,000 with seating capacity of 25 persons (including driver) for transportation of its employees. Further, for ensuring the well-being of its employees, PTL Pvt. Ltd. voluntarily obtained the health insurance cover of ₹ 2,00,000 for each employee in the same month. The premium of ₹ 1,500 per employee has been paid by the company for 100 employees.

In the month of July, Mr. Raghav, a customer of the company, filed a law suit in the Court, against the company for not supplying goods of the value of ₹ 1,00,000. PTL Pvt Ltd. engaged Mr. Ram, an advocate, to represent it in Court for an agreed consideration of ₹ 25,000. As per the terms of the contract, Mr. Ram issued an invoice on 5<sup>th</sup> July. However, consideration was not paid till February next year.

*Note - All the amounts given above are excluding taxes and all transactions are intra-State transactions. Rates of tax are CGST - 9% and SGST – 9%. However, for tempo traveller, the rates of taxes are CGST - 14% and SGST – 14%.*

**In relation to the above, answer the following questions:**

- 1. With respect to “Buy One, Get One” offer, which of the following statements is true:**
  - (a) It will not be considered as supply at all since no consideration is involved in one of the items.
  - (b) Supply of item for which consideration is charged is a supply under section 7 of the CGST Act, 2017 while supply of the other item supplied free of cost is not a supply.
  - (c) These are two individual supplies where a single price is charged for the entire supply.

Since a single price is charged, the same will always be taxed as a mixed supply.

- (d) These are two individual supplies where a single price is charged for the entire supply. Their taxability will depend upon as to whether the supply is a composite supply or a mixed supply.

**2. Eligible input tax credit for the month of May on the purchase of tempo traveler (assuming that all other conditions, for availing input tax credit have been complied with) is:**

- (a) CGST - Nil, SGST - 1,68,000
- (b) CGST - ₹ 1,68,000, SGST - ₹ 1,68,000
- (c) CGST - ₹ 1,68,000, SGST - Nil
- (d) CGST - Nil, SGST - Nil

**3. Eligible input tax credit for the month of May on health insurance premium paid (assuming that all other conditions, for availing input tax credit have been complied with) is:**

- (a) CGST - Nil, SGST - ₹ 18,000
- (b) CGST - Nil, SGST - Nil
- (c) CGST - ₹ 18,000, SGST - Nil
- (d) CGST - ₹ 18,000, SGST - ₹ 18,000

**4. Which of the following statements is true in respect of the services of advocate availed by the company?**

- (a) CGST-₹ 2,250 and SGST- ₹ 2,250 on advocate services are payable by PTL Pvt Ltd. ITC availed thereon is to be added to its output tax liability with interest as consideration along with tax is not paid within 180 days of the issuance of invoice.
- (b) CGST-₹ 2,250 and SGST- ₹ 2,250 on advocate services are payable by Mr. Ram. ITC availed thereon is to be added to output tax liability of PTL Pvt Ltd. with interest as consideration along with tax is not paid within 180 days of the issuance of invoice.
- (c) CGST-₹ 2,250 and SGST- ₹ 2,250 on advocate services are payable by PTL Pvt. Ltd. The condition of payment of consideration along with tax within 180 days of the issuance of invoice does not apply in the given case.
- (d) CGST-₹ 2,250 and SGST- ₹ 2,250 on advocate services are payable by Mr. Ram. The condition of payment of consideration along with tax within 180 days of the issuance of invoice does not apply in the given case.

**5. Which of the following is not covered under Schedule III of CGST Act, 2017?**

- (a) Director's monthly salary under employment agreement
- (b) Sitting fees to independent directors for attending AGMs
- (c) Payment to employee for providing broking services to the employer for purchase of commercial property. Such services do not form part of the employment contract entered into by the employer with the employee.
- (d) Both (b) and (c)

***This Case Scenario contains MCQ 6-10***

Mr. Kumar started interior designing practice from the month of January. His turnover up to the month of March was ₹ 12,50,000. On 30<sup>th</sup> June, his turnover exceeded ₹ 20,00,000 & reached to ₹

20,05,000. Mr. Kumar applied for GST registration (as regular taxpayer) on 15<sup>th</sup> July and registration was granted to him on 25<sup>th</sup> July.

On 16<sup>th</sup> July, he entered into a contract for designing the flat of Mr. Shyam. The service was completed on 22<sup>nd</sup> July and Mr. Kumar issued invoice on the same day for ₹ 6,00,000. On 5<sup>th</sup> July, Mr. Kumar purchased capital goods amounting to ₹ 4,50,000 and from 25<sup>th</sup> July to 31<sup>st</sup> July, he availed services amounting to ₹ 1,75,000 for the purpose of completing the service.

On 1<sup>st</sup> August, Mr. Kumar got another contract for interior designing from Mr. Ram, which he accepted on 2<sup>nd</sup> August. The service was completed on 6<sup>th</sup> August and invoice was issued on 7<sup>th</sup> August for ₹ 5,00,000. Payment was received on 29<sup>th</sup> August.

*Note: All values are excluding taxes, unless specifically mentioned. Mr. Kumar makes only intra-State outward supplies and all purchases are also intra-State. Rates of tax are CGST - 9% and SGST - 9%.*

**In relation to the above, answer the following questions:**

**6. The effective date of registration for Mr. Kumar is-**

- (a) 30th June
- (b) 15th July
- (c) 25th July
- (d) 16th July

**7. Mr. Shyam can issue a revised tax invoice till-**

- (a) 23rd October
- (b) 8th September
- (c) 25th September
- (d) 25th August

**8. Eligible input tax credit available with Mr. Kumar for the month of July is-**

- (a) CGST ₹ 40,500 & SGST ₹ 40,500
- (b) CGST ₹ 15,750 & SGST ₹ 15,750
- (c) CGST ₹ 56,250 & SGST ₹ 56,250
- (d) CGST ₹ 36,000 & SGST ₹ 36,000

**9. The time of supply of services provided by Mr. Kumar to Mr. Ram is-**

- (a) 7th August
- (b) 1st August
- (c) 29th August
- (d) 06th August

**10. If instead of opting for regular scheme, Mr. Kumar opts to pay tax under section 10(2A) of the CGST Act, 2017, the tax liability for the month of July will be-**

- (a) Nil
- (b) CGST ₹ 54,000 & SGST ₹ 54,000
- (c) CGST ₹ 18,000 & SGST ₹ 18,000
- (d) CGST ₹ 78,150 & SGST ₹ 78,150

***This Case Scenario contains MCQ 11-15***

SR Associates is a partnership firm registered under GST in the State of Rajasthan. In the month of July, following transactions were made by SR Associates:

- (a) Purchase of commodity X on 1st July from registered person for an amount of ₹ 5,00,000 at the rate of ₹ 1000 per tonne from the open market. The said commodity was deposited in the warehouse of NCDEX Ltd. (an agricultural commodity exchange) in Rajasthan as a security against transactions entered by SR Associates on the same day.
- (b) In order to hedge the aforesaid transaction, on 1<sup>st</sup> July, SR Associates undertook a derivative sale transaction in futures contract for the month of August at NCDEX at the rate of ₹ 1,100 per tonne.
- (c) SR Associates took subscription for an AI (Artificial Intelligence) based platform from an unrelated party, ABC Inc (a company based in US) to get real time updates on the pricing of commodity X in the international market. ABC Inc charged ₹ 50,000 for such subscription. The invoice was issued to SR Associates on 1st July, but the payment was made to ABC Inc on 20th August.
- (d) NCDEX charges rent from SR Associates at the rate of ₹ 10,000 per month and service charges at the rate of ₹ 20,000 per month.
- (e) On the date of expiry of future contract of the month of August, i.e. 31st August for commodity X, the rate of commodity X was ₹ 900 per tonne. SR Associates squared off the contract (without physical delivery) for the month of August at the same rate.
- (f) NCDEX charged brokerage on the transactions (both purchase and sale of derivative contract separately) at the rate of ₹ 5,000 per contract from SR Associates in the month when such transaction was entered and when such transaction was squared off.
- (g) On the purchase of commodity X, additional levy in form of Mandi Tax was applicable at the rate of ₹ 10 per tonne which is not included in the rate per tonne under point (a) above.

All the amounts given above are exclusive of GST unless otherwise provided. The opening balance of input tax credit for the relevant tax period of SR Associates is Nil. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled.

Assume that there is no other outward or inward supply transaction apart from aforesaid transactions, in the months of July and August.

GST is applicable in the aforesaid case scenario at the following rates unless otherwise specified:

- I. Intra-State supply – 9% CGST and 9% SGST
- II. Inter-State supply – 18% IGST

Based on the facts of the case scenario given above, choose the most appropriate answer:

**11. Compute the taxable value of inward supply of commodity X for SR Associates in the month of July.**

- (a) ₹ 5,00,000
- (b) ₹ 5,50,000
- (c) ₹ 5,55,000
- (d) ₹ 5,05,000

**12. Compute the value of outward supply made by SR Associates in the month of August.**

- (a) Nil
- (b) ₹ 5,55,000
- (c) ₹ 5,60,000
- (d) ₹ 5,00,000

- 13. What is the time of supply for subscription of AI based platform by SR Associates?**
- (a) July 1
  - (b) August 31
  - (c) August 20
  - (d) July 31
- 14. Compute the net GST payable in cash by SR Associates for the month of August.**
- (a) Nil
  - (b) ₹ 2,700
  - (c) ₹ 81,000
  - (d) ₹ 9,000
- 15. Compute the input tax credit balance available with SR Associates for the month of July.**
- (a) ₹ 9,000
  - (b) ₹ 16,200
  - (c) ₹ 97,200
  - (d) ₹ Nil

## PART - II (Descriptive Answers)

**This part comprises 6 questions. Question No. 1 is compulsory. Attempt any 4 questions out of the remaining 5 questions.**

- 1 The details of transactions of J Ltd., Vadodara (Gujarat), a registered taxable person, during the month of February, 20XX, are as under:

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S.N	Particulars
1.	Purchased goods from a manufacturer in Maharashtra as a merchant exporter (on payment of 0.1% IGST) and exported the same directly to an importer of Spain under LUT. FOB value is ₹ 7,00,000. Invoice for the supply to J Ltd. was received on 5.2.20XX and payment was made on 8.2.20XX.
2.	Imported goods from China with CIF value of ₹ 5,00,000. The goods were sold for ₹ 5,10,000 as high sea sales to an Indian party on 21.2.20XX.
3.	Purchased goods from a party in Taiwan. Sold the goods to a party in Turkey without bringing the goods to India. Purchase value was ₹ 5,00,000 and the sale price was ₹ 7,00,000. J Ltd paid sales commission of ₹ 50,000 to Mrs. T (located in Turkey), their agent in connection with this transaction. The transaction was completed in the third week of February. (The figures in rupees have been given after conversion though transaction was in convertible foreign currency).
4.	J Ltd. has agreed to provide technical services to Mr. K of Ahmedabad who is an unregistered person in connection with the manufacturing operations to be undertaken by him for a consideration of ₹ 5,00,000 and has received an advance of ₹ 1,00,000 for the same on 2.2.20XX.
5.	It has imported raw materials from China. CIF value of the goods for the purpose of Customs included ₹ 1,00,000 as ocean freight paid by J Ltd. The value for the purpose of levy of IGST worked out by Customs was ₹ 6,00,000. Clearance of the goods took place on 4.2.20XX.
6.	Locally purchased taxable raw material stored in the factory got spoiled due to rain water in the factory and became unusable. J Ltd. claimed and received on insurance amount of ₹ 60,000 for the same. Value of the raw material at the time of receipt was ₹ 70,000. Raw material was purchased from a party in Gujarat on 3.2.20XX and payment was made on 7.2.20XX.
7.	Company purchased a three-wheeler having capacity of 2 persons including driver (engine capacity 20CC) at a cost of ₹ 2,50,000 from a dealer in Gujarat which is being used for transportation of staff of company from residence to factory and back. The vehicle was received on 5.2.20XX and payment was made on the same date.
8.	It has paid inward transportation expense of ₹ 30,000 to Mr. Z, a tempo owner who has not issued any consignment notes. He has issued a consolidated bill only on 3.2.20XX and payment was made on 4.2.20XX.
9.	It has supplied goods of value of ₹ 50,00,000 to V Ltd. Padra, Gujarat (includes ₹ 10,00,000 supplied to SEZ unit of V Ltd under LUT).
10.	It has purchased goods from X Impex Ltd. Kadi, Gujarat for use as raw materials in its factory. The value of the goods ₹ 30,00,000. Invoice is dated

	2.2.20XX.
11.	It has availed supply of manpower security services from Y Ltd. Vadodara, Gujarat, a registered taxable person. The amount paid is ₹ 1,00,000. The invoice was received on 1.2.20XX and payment was made on the same day.

Assume the CGST and SGST rates to be 9% each and IGST rate to be 18% except the supply received as a merchant exporter. Ignore compensation cess. J Ltd. had an opening balance of ITC of CGST of ₹ 20,000 and SGST of ₹ 20,000 as on 1.2.20XX. In respect of all the inward supplies, suppliers have uploaded their invoices in respective Form GSTR-1 and the supplies are reflected in GSTR-2B. All the figures given above are exclusive of GST, wherever applicable.

Work out the admissible ITC and GST liability [CGST, SGST or IGST, as the case may be] payable in cash, by J Ltd, Vadodara (Gujarat), for February, 20XX.

**2 (a)** Kaushal Manufacturers Ltd., registered in Delhi, is a manufacturer and supplier of electronic home appliances. It is paying tax under regular scheme. It supplies the electronic home appliances in the domestic as well as overseas market. For supplies in other States of India, the company has appointed consignment agents in each such State, except Gurgaon, Haryana and Noida, Uttar Pradesh, where the goods are supplied directly from its Delhi warehouse.

**9**

In the month of January, consignments of electronic home appliances were sent to Cardinal Electricals Pvt. Ltd. and Rochester Technos – agents of Kaushal Manufacturers Ltd. in Punjab and Madhya Pradesh respectively. Cardinal Electricals Pvt. Ltd. and Rochester Technos supplied these electronic home appliances under their invoices to the stores located in their respective States for ₹ 40,00,000 and ₹ 70,00,000 respectively. Open market value of such appliances is not available.

Further, in January, electronic home appliances have been supplied to Ronn Technomart – a wholesale dealer of electronic home appliances in Noida, Uttar Pradesh for consideration of ₹ 23,00,000, from its Delhi warehouse. Kaushal Manufacturers Ltd. owns 75% shares of Ronn Technomart. Open market value of the electronic home appliances supplied to Ronn Technomart is ₹ 30,00,000. Further, Ronn Technomart is not eligible for full input tax credit.

Kaushal Manufacturers Ltd. also provides repair and maintenance services to electronic appliance manufacturers located in India.

The company has also furnished the following information for the month of January:

Particulars	₹
Supply of electronic home appliances to wholesale dealers of such appliances in Delhi	84,00,000
Electronic home appliances supplied to Anchor Electricals Inc., USA under LUT [Consideration received in convertible foreign exchange]	1,26,00,000
Repair and maintenance services provided to Unitech Ltd., an electronic appliance manufacturer, located in Delhi	8,40,000
Advance received towards repair and maintenance services to be	7,00,000

provided to Orelec Ltd., an electronic appliance manufacturer, located in Delhi [Repair and maintenance services have been provided in February and invoice is issued on 28 <sup>th</sup> February]	
Advance received for electronic home appliances to be supplied to Novick Electricals, a wholesale dealer of such appliances in Gurgaon, Haryana [Invoice for the goods is issued at the time of delivery of the electronic appliances in March]	8,40,000

You are required to determine the gross GST liability [CGST & SGST and/or IGST] of Kaushal Manufacturers Ltd. for the month of January.

**Note:**

- (i) All the given amounts are exclusive of GST, wherever applicable.
- (ii) Assume the rates of GST to be as under:

Goods/services supplied	CGST	SGST	IGST
Electronic home appliances	2.5%	2.5%	5%
Repair and maintenance services	9%	9%	18%

You are required to make suitable assumptions, wherever necessary.

- 2 (b)** PCB Limited has imported printed circuit boards for sale in India from Country X, which are liable for anti-dumping duty. You are provided with the following details. **5**

- (i) Country X does not sell these goods in its domestic market.  
However, it exports the same printed circuit boards at USD 200 per piece to another third country.
- (ii) The printed circuit board is sold in domestic industry @ USD 175 per piece.
- (iii) PCB Limited has imported the printed circuit boards at USD 100 per piece.
- (iv) Landed value of the printed circuit boards is USD 125 per piece.

Compute the anti-dumping duty payable by PCB Limited for 1,000 pieces of printed circuit boards it has imported during the year assuming conversion rate @ ₹ 75 per USD.

- 3 (a)** Swasthya Nursing Home, a clinical establishment, offers the following services: **5**

- (i) Rooms provided to the in-patients where the room charges per day are ₹ 6,500.
- (ii) Plastic surgery conducted to repair cleft lip of a new born baby.
- (iii) Air ambulance services to transport critically ill patients from distant locations to Swasthya Nursing Home.
- (iv) Supply of food to the in-patients as per the advice of the doctor/nutritionist from its restaurant – Annapurna Bhawan - located in the basement of Swasthya Nursing Home. The food is prepared by its employees and nothing is outsourced to any third-party vendors.

(v) Homeopathic medical treatment.

Swasthya Nursing Home also operates a cord blood bank which provides services in relation to preservation of stem cells.

Determine whether GST is payable in respect of each of the above services provided by Swasthya Nursing Home.

- 3 (b)** Yash Shoppe, a registered supplier of Jaipur, is engaged in supply of various goods and services exclusively to Government departments, agencies, local authority and persons notified under section 51. **4**

You are required to briefly explain the provisions relating to tax deduction at source under section 51 and also determine the amount of tax, if any, to be deducted from each of the receivables given below (independent cases) assuming that the payments as per the contract values are made on 31<sup>st</sup> October. The rates of CGST, SGST and IGST may be assumed to be 6%, 6% and 12% respectively.

- (1) Supply of computer stationery to Public Sector Undertaking (PSU) located in Mumbai. Total contract value is ₹ 2,72,000 (inclusive of GST)
- (2) Supply of air conditioner to GST department located in Delhi. Total contract value is ₹ 2,55,000 (exclusive of GST)
- (3) Supply of generator renting service to Municipal Corporation of Jaipur. Total contract value is ₹ 3,50,000 (inclusive of GST)

- 3 (c)** Radheysham is engaged in manufacture of goods in Rajasthan. It imported certain goods for using in the manufacture of the finished goods in the month of May. However, it did not clear the goods from the port for home consumption. Instead, it presented an 'into bond' bill of entry on 14<sup>th</sup> May. Assessable value on that date was US\$ 2,35,000. The order permitting the deposit of goods in warehouse for 4 months was issued on 21<sup>st</sup> May. Radheysham deposited the goods in warehouse on the same day, but did not clear the imported goods even after the warehousing period got over on 21<sup>st</sup> September. **5**

A notice was issued under section 72 of the Custom Act, 1962, demanding duty and interest. Radheysham cleared the goods on 14<sup>th</sup> October. Customs duty paid on removal of the goods is ₹ 8,28,000.

You are required to compute interest payable on such removal, explaining the provisions of Customs Act, 1962 assuming that imported goods are not meant for being used in an 100% EOU, STP unit, EHTP unit.

- 4 (a)** In the month of April 20XX, Z started supply of goods in his proprietary firm and also set up a one-man company named Z Ltd. He needs your assistance to work out his aggregate turnover for the purpose of GST registration. The turnover details up to the month of July, 20XX are as under: **5**

S.N	Particulars of supplies	₹ in lakh (excl. GST)
i.	Supplies of taxable goods of his firm	31.50

ii.	Supplies of taxable goods to a 100% EOU of his firm	1.50
iii	Exports of taxable goods of his firm	2.60
iv.	Exempt supplies of his firm	2.40
v.	Supplies of non-taxable goods of his firm	3.00
vi.	Supplies of taxable goods by the one-man company set up in his name	2.70
vii.	Value of supplies on which Z is liable to pay tax under reverse charge mechanism (RCM)	0.80

**Note:** All his supplies are intra-State except export.

**4 (b)** Explain in what cases, assessment order passed by proper officer may be withdrawn under CGST Act, 2017? **4**

**4 (c)** Dhruvtaara Enterprises imported a machine from Japan in January for ₹ 48.75 lakh. However, the machine was exported back in June for repairs. The supplier had agreed to carry out the repairs as the machine was still in warranty period. The fair cost of the repairs would cost ₹ 8.90 lakh. Since repair process was expected to take a time of 6 months, Dhruvtaara Enterprises requested the supplier to provide it another machine so that it could carry out its operations without hindrance in the meantime. **5**

Acceding to the request, the supplier provided it with another machine which was imported in a vessel during October. The value of the new machine (FOB value) was ₹ 49.50 lakh. Freight charges incurred from load port to port of importation were ₹ 1.80 lakh. You are required to compute the assessable value and total duty payable on the replaced machine received by Dhruvtaara Enterprises.

**Note** – Rates of customs duty is 10% and IGST is 12%. Social Welfare Surcharge to be taken at 10%. Ignore GST compensation cess and agriculture infrastructure and development cess.

**5 (a)** Super Engineering Works, a registered supplier in Haryana, is engaged in supply of taxable goods within the State. Given below are the details of the turnover and applicable GST rates of the final products manufactured by Super Engineering Works as also the input tax credit (ITC) availed on inputs used in manufacture of each of the final products and GST rates applicable on the same, during a tax period: **5**

Products	Turnover (excluding GST) (₹)	Output GST Rates	ITC availed (₹)	Input GST Rates
A	500,000	5%	54,000	18%
B	350,000	5%	54,000	18%
C	100,000	18%	10,000	18%

Determine the maximum amount of refund of the unutilized input tax credit that Super Engineering Works is eligible to claim under section 54(3)(ii) provided that Product B is notified as a product, in respect of which no refund of unutilised

input tax credit shall be allowed under said section.

- 5 (b)** In an order dated 20<sup>th</sup> August issued to GH (P) Ltd., the Joint Commissioner of CGST has confirmed IGST demand of ₹ 280 crore. The company is disputing the entire demand of IGST and wants to know the amount of pre-deposit it has to make under the IGST Act for filing an appeal before the Appellate Authority against the order of the Joint Commissioner. **4**

Assuming that the Appellate Authority also confirms the order of the Joint Commissioner and the company wants to file an appeal before the Appellate Tribunal against the order of the Appellate Authority, determine the amount of pre-deposit to be made by the company for filing the said appeal.

- 5 (c)** Two exporters namely, Red Sky Pvt. Ltd. and Black Night Pvt. Ltd. have achieved the status of Status Holders (One Star Export House) in the current financial year. Both the exporters have been regularly exporting goods (other than Gems and Jewellery) every year. What would have been the minimum export performance of the two exporters to achieve such status? **5**

Both the exporters want to establish export warehouses in accordance with the applicable guidelines. What should be their export turnover to enable them to establish export warehouses?

- 6 (a)** State the prosecution, arrest and bail implications, if any, in respect of the following independent cases pertaining to June: **5**

- (i) 'Ashuram' fraudulently avails input tax credit of ₹ 200 lakh without any invoice or bill. However, he is yet to utilize the same.
- (ii) 'Bahubali' fraudulently avails the refund of tax of ₹ 550 lakh. The said tax has been recovered from the buyer also.
- (iii) 'Chintamani' knowingly supplies false information sought by the CGST Officer. The amount of tax involved is ₹ 250 lakh.
- (iv) 'Deendayal' collects ₹ 650 lakh as tax in January from its clients but has deposited only ₹ 50 lakh with the Central Government till date.

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

- 6 (b)** 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 74 of the CGST Act, 2017. **4**

S. N.	Date on which credit was taken wrongly	Amount of ITC taken wrongly (₹ in lakh)	Present status
1	31 <sup>st</sup> January, 2021	200	Adjudication order passed on 26 <sup>th</sup> July, 2023 demanding the entire amount of credit

			with interest and imposing amount equal to the credit as penalty.
2	30 <sup>th</sup> June, 2021	250	Adjudication order passed on 26 <sup>th</sup> August, 2023 demanding the entire amount of credit with interest and imposing amount equal to the credit as penalty.
3	30 <sup>th</sup> October, 2021	120	Show cause notice has been issued on 5 <sup>th</sup> September, 2023 demanding entire amount of credit with interest and proposing penalty equal to 100% of the credit taken.
4	30 <sup>th</sup> January, 2022	50	Statement of the Managing Director has been recorded on 6 <sup>th</sup> September, 2023 wherein he has admitted the non-receipt of the inputs and availing the credit wrongly. Show cause notice has not been issued yet.

**Note:** In all the cases, assessee wants to pay the amount on 20.09.2023.

**6 (c)** GER Ltd. of Germany supplies luxurious car worth ₹ 1 crore to IND Ltd. of India. Before the car reached Indian port but after crossing of the territorial waters of India, IND Ltd. sells it to T1 Ltd. by way of transfer of documents of title. 5

T1 Ltd. clears the said car for warehousing and stores said goods in customs bonded warehouse.

T1 Ltd. sells the said car from warehouse to T2 Ltd., and T2 Ltd. clears the said car from the customs bonded warehouse.

Answer the following with brief reasons:

- (i) Is GST leviable on import of goods from GER Ltd. by IND Ltd.?
- (ii) Is GST leviable on supply of goods by IND Ltd. to T1 Ltd.?
- (iii) Is GST leviable on supply of goods by T1 Ltd. to T2 Ltd.?
- (iv) Is GST leviable on clearance of goods by T2 Ltd. from the customs bonded warehouse?