



## CA FINAL (May 2025)

## GROUP II - PAPER 5

## INDIRECT TAX LAWS (Series 3)

Time Allowed: - 3 Hours

Maximum Marks: 100 Marks

This question paper comprises two parts, Div A and Div B. Div A comprises MCQ & Div B comprises questions which require descriptive answers. All questions relate to A.Y. 2025-26 unless stated otherwise in the question.

## Division A - Multiple Choice Questions (2 Marks Each)

## Case Scenario I

(5x2 =10 Marks)

'Nobita Travels Ltd.' (NTL) is established on 3<sup>rd</sup> April in the city of Jaipur (Rajasthan) and the primary objective of the company is to provide air-conditioned contract-based passenger transportation services at affordable fares. The company obtains the voluntary registration under GST from 1<sup>st</sup> May. On 1<sup>st</sup> July, the company purchased motor vehicles (omnibus) of various seating capacities as follows:

Seating capacity (including driver)	No. of vehicles	Purchase price (per vehicle-exclusive of taxes)	Rate of GST
4 persons	4	10,00,000	CGST-9%; SGST - 9%
8 persons	3	12,00,000	CGST-9%; SGST - 9%
11 persons	1	15,00,000	IGST-18%
13 persons	2	14,00,000	CGST-9%; SGST - 9%

From the month of July, NTL associated with DORAEMON Ltd. to enhance the business operations. DORAEMON Ltd. owns/operates an electronic platform for supply of passenger transportation services in Jaipur. The company developed an application called 'DORAEMON' through which the customers can access the nearest available motor vehicles (cabs) and avail the services. DORAEMON Ltd. collects the consideration for the services from the customers and remits the same to the service provider (NTL) after retaining the commission charged by it for using its electronic platform.

The details of few bookings of NTL in the month of July are as follows: (These bookings are obtained by NTL on its own account and not through DORAEMON Ltd.)

Order No.	Date of travel	Starting city	Ending city	Residence of the customer	Date of payment/ booking	Status of customer
PA-666	5 <sup>th</sup> July	Jaipur	Indore	Jaipur	3 <sup>rd</sup> July	Registered*
BA-222	11 <sup>th</sup> July	Jaipur	Indore	Indore	9 <sup>th</sup> July	Unregistered
PH-534	16 <sup>th</sup> July	Indore	Jaipur	Ahmedabad	14 <sup>th</sup> July	Registered*
GK-987	19 <sup>th</sup> July	Ahmedabad	Jaipur	Delhi	17 <sup>th</sup> July	Unregistered
UV-777	22 <sup>nd</sup> July	Jaipur	Ahmedabad	Mumbai	20 <sup>th</sup> July	Registered*
XE-001	25 <sup>th</sup> July	Indore	Jaipur	Kolkata	23 <sup>rd</sup> July	Unregistered

\*Registered in the State in which they reside

In all the above cases, journey is a single-day journey and invoice is issued electronically on the date of travel immediately after the completion of journey.

The details of the passenger transportation services supplied by NTL through DORAEMON Ltd. & GST liability on the supply is as follows:-

Particulars	July (₹)	August (₹)	September (₹)
Value of services	1,30,00,000	1,25,00,000	1,40,00,000
CGST	9,00,000	8,00,000	8,50,000
SGST	9,00,000	8,00,000	8,50,000
IGST	4,00,000	3,50,000	4,50,000

Note:

1. All amounts are exclusive of CGST/SGST or IGST, as the case may be.
2. Booking is confirmed only after paying total fare for the journey.
3. There is no other inward or outward supply transaction for NTL in the relevant period apart from the aforementioned transactions.
4. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled.

Based on the case scenario given above, choose the most appropriate answer to Q. nos. 1 to 5, below, carrying 2 marks each:

1. Amount of blocked credit in respect of motor vehicles purchased by NTL on 1<sup>st</sup> July is.
  - (a) CGST= 9,36,000; SGST= 9,36,000 & IGST = 2,70,000
  - (b) CGST=₹ 3,24,000; SGST=₹ 3,24,000 & IGST=₹ 2,70,000
  - (c) CGST = Nil; SGST = Nil & IGST = ₹ 2,70,000
  - (d) CGST = Nil; SGST = Nil & IGST = Nil
  
2. Amount of GST payable through electronic cash ledger by NTL on the services supplied by it through DORAEMON Ltd. during the month of July, ignoring the provisions of rule 86B of the CGST Rules, 2017, is —.
  - (a) CGST=₹ 9,00,000; SGST=₹ 9,00,000 & IGST=₹ 4,00,000
  - (b) CGST = Nil; SGST = Nil & IGST = ₹ 58,000
  - (c) CGST = Nil; SGST = Nil & IGST = ₹ 1,30,000
  - (d) CGST = Nil; SGST = Nil & IGST = Nil
  
3. Amount of tax to be collected at source (together under the CGST, SGST and IGST) by DORAEMON Ltd. on the taxable supplies made through it during the months of A) July, B) August and C) September, is —.
  - (a) A) ₹ 65,000; B) ₹ 62,500 and C) ₹ 70,000
  - (b) A) ₹ 1,30,000; B) ₹ 1,25,000 and C) ₹ 1,40,000
  - (c) A) ₹ 1,30,000; B) Nil and C) ₹ 70,000
  - (d) A) Nil; B) Nil and C) Nil
  
4. Place of supply for order numbers 1) BA-222, 2) PH-534 & 3) GK-987 is.
  - (a) 1) Jaipur, 2) Ahmedabad & 3) Ahmedabad
  - (b) 1) Indore, 2) Ahmedabad & 3) Ahmedabad
  - (c) 1) Indore, 2) Indore & 3) Delhi
  - (d) 1) Jaipur, 2) Indore & 3) Ahmedabad
  
5. Time of supply for order numbers 1) PA-666, 2) UV-777 & 3) XE-001 i
  - (a) 1) 5<sup>th</sup> July, 2) 20<sup>th</sup> July & 3) 23<sup>rd</sup> July
  - (b) 1) 5<sup>th</sup> July, 2) 22<sup>nd</sup> July & 3) 23<sup>rd</sup> July
  - (c) 1) 3<sup>rd</sup> July, 2) 20<sup>th</sup> July & 3) 23<sup>rd</sup> July
  - (d) 1) 5<sup>th</sup> July, 2) 20<sup>th</sup> July & 3) 23<sup>rd</sup> July

**Case Scenario II**

RG Associates is a supplier registered under GST in Delhi. It is engaged in manufacture of Product Alpha and Product Beta. Product Alpha is a taxable product whereas Product Beta is an exempt product. It is also engaged in manufacture of Product Comma, a taxable product, which is exported by it to other countries without payment of tax under Letter of Undertaking.

It has furnished following information regarding purchase of the machineries for his manufacturing business:

Date of purchase	Machinery	Amt.(₹) (exclusive of taxes)	Description
1 <sup>st</sup> April, 2023	Machinery TMKOC	10,00,000	Exclusively used for manufacturing Product Alpha
1 <sup>st</sup> October, 2024	Machinery YRKKH	15,00,000	Exclusively used for manufacturing Product Beta
1 <sup>st</sup> May, 2025	Machinery BaalVeer	20,00,000	Exclusively used for zero-rated supply of Product Comma

From 1<sup>st</sup> April, 2026, RG Associates started using Machinery YRKKH for manufacturing Product Alpha as well.

All the purchases and sales are inter-State and rate of IGST applicable on all purchases and sales is 18%. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled and RG Associates has not claimed depreciation on the GST paid on the purchase of the machinery.

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

6. Determine the amount of input tax which has been credited to electronic credit ledger during the financial year 2023-24.
- (a) ₹ 1,80,000  
 (b) ₹ 3,60,000  
 (c) ₹ 8,10,000  
 (d) ₹ 5,40,000

7. Determine the amount of GST, paid on purchase of a machinery, which has not been credited to electronic credit ledger during the financial years 2023-24, 2024-25 and 2025-26.
- (a) ₹ 6,30,000
  - (b) ₹ 3,60,000
  - (c) ₹ 8,00,000
  - (d) ₹ 2,70,000
8. Amount of ineligible ITC in respect of Machinery YRKKH, i.e. 'T<sub>ie</sub>', as per rule 43 of the CGST Rules, 2017, to be added to the output tax liability is \_\_\_\_\_.
- (a) ₹ 4,81,000
  - (b) ₹ 1,89,000
  - (c) ₹ 81,000
  - (d) ₹ 72,000
9. What is the time-period up to which common credit needs to be computed for Machinery YRKKH?
- (a) 31<sup>st</sup> March, 2031
  - (b) 30<sup>th</sup> September, 2029
  - (c) 31<sup>st</sup> March, 2033
  - (d) 30<sup>th</sup> September, 2033
10. The amount of common credit in respect of Machinery YRKKH is-
- (a) ₹ 2,02,500
  - (b) ₹ 2,70,000
  - (c) ₹ 6,30,000
  - (d) ₹ 4,90,500

**Case Scenario III****(5X2 = 10 Marks)**

Ninja Hattori Limited, India, a registered supplier under GST in the State of Kerala, is engaged in supplying goods and services. Ninja Hattori Inc., San Francisco, USA, is a subsidiary of Ninja Hattori Limited, India and is engaged in supply of information technology services to customers in USA. Ninja Hattori Limited, India has undertaken following transactions during the month of April:

Particulars	Amount (₹)
Supplied large paper rolls to Rock Mount School, Bengaluru (Karnataka), for printing of question papers. As directed by the school, Dhairya Limited delivered the paper rolls at a printing press located in Trivandrum, Kerala.	15,00,000
Bond amount recovered from the outgoing Managing Director (residing in Kerala) of Dhairya Limited since he had left the employment before contracted period.	2,50,000
Supplied steel sheets in the territorial waters* to RG Builders. *Located at a distance of 12 nautical miles from the baseline of Kerala and 15 nautical miles from the baseline of Tamil Nadu.	6,00,000
Received an advance for future supplies of goods from a customer based in Kerala	2,10,000
Received an advance for future supplies of services from a customer based in Kerala	4,90,000
Computer (used for business purpose & on which no ITC has been taken yet) given free of cost to unrelated person based in Kerala [Purchased 2 years' back at a price of ₹ 1,12,100 (including GST). Open market value is ₹ 75,000.]	Nil

Ninja Hattori Limited provided the following additional information for the month of April:

- (i) The company paid the sitting fee of ₹ 6,00,000 to an independent director, based at Cochin, Kerala, for attending meetings.
- (ii) Room charges of ₹ 2,25,000 were paid to Amaara Hotel located in Mumbai, Maharashtra for stay of the CEO of the company on a business trip.
- (iii) The company availed the services of an Arbitral Tribunal in Cochin, Kerala to settle a business dispute and paid ₹ 7,00,000.
- (iv) Salary of ₹ 15,00,000 was paid to employees on payroll.
- (v) The company purchased a new machinery from a dealer based in Cochin, Kerala for ₹ 12,00,000. Depreciation has been claimed under the Income-tax Act, 1961 on the same including on all applicable taxes.

Further, Shishimaanu Events Ltd., an event management company, located and registered at Karnataka, had organized a cultural event in the month of May for Ninja Hattori Limited, in Dubai. Ninja Hattori Limited paid a sum of ₹ 10,00,000 to Shishimaanu Events Ltd. for the same.

Notes -

Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively for both inward and outward supply of goods and services, wherever applicable.

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

The opening balance of input tax credit for the relevant tax periods of Ninja Hattori Limited, India is Nil.

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

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

11. Which of the following activities/transactions undertaken by Ninja Hattori Limited do not amount to supply?

- i. Supply of steel sheets in territorial waters
- ii. Computer being used for business purpose given free of cost to unrelated person
- iii. Supply of paper rolls for printing of question papers to Rock Mount School
- iv. Recovery of bond amount from the outgoing Managing Director

Choose the most appropriate option.

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

12. Which of the inward supplies received by Ninja Hattori Limited in the month of April are taxable under reverse charge?

- i. Services received from the independent director
- ii. Accommodation services received from Amaara Hotel, Mumbai
- iii. Services of the Arbitral Tribunal
- iv. New machinery purchased from the dealer based in Cochin
- v. Salary paid to employees on payroll

- Choose the most appropriate option.
- (a) (ii) and (v)
  - (b) (ii), (iii) and (iv)
  - (c) (i), (iii) and (v)
  - (d) (i) and (iii)

13. Compute the total GST payable on outward supplies before setting off of ITC for the month of April by Ninja Hattori Limited.

- a) CGST - ₹ 1,03,050, SGST - ₹ 1,03,050 and IGST - ₹ 2,70,000
- b) CGST - ₹ 98,100, SGST - ₹ 98,100 and IGST - ₹ 2,70,000
- c) CGST - ₹ 1,35,000, SGST - ₹ 1,35,000
- d) CGST - ₹ 98,100, SGST - ₹ 98,100

14. Compute the total ITC admissible to Ninja Hattori Limited for the month of April.

- CGST - ₹ 63,000, SGST - ₹ 63,000 and IGST - ₹ 40,500
- CGST - ₹ 1,17,000, SGST - ₹ 1,17,000 and IGST - Nil
- IGST - ₹ 2,74,500
- CGST - ₹ 2,25,000, SGST - ₹ 2,25,000 and IGST - ₹ 40,500

15. Whether GST is applicable on the event organized by Shishimaanu Events Ltd., Karnataka for Ninja Hattori Limited in Dubai and what is the place of supply in such case?

- GST is applicable and the place of supply is Karnataka.
- GST is applicable and the place of supply is Kerala.
- GST is not applicable and the place of supply is Dubai.
- GST is applicable and the place of supply is Dubai.

### PART-II DESCRIPTIVE QUESTIONS

Question No. 1 is compulsory. Candidates are required to answer any four questions from the remaining five questions.

1. Shriji Ltd. of Jodhpur (Rajasthan) is a registered manufacturer of cosmetic products. Shriji Ltd. has furnished following details for June month:

Particulars		(₹)
Details of Outward supplies		
(i)	Supplies in Rajasthan	17,50,000
(ii)	Supplies in States other than Rajasthan	7,50,000
(iii)	Supplied raw cotton to Prahalad Traders, registered in Jaisalmer. Raw cotton was purchased from agriculturist in Jaipur in May for Rs. 3,00,000	5,00,000
Details of expenses		
(i)	Raw materials purchased from registered suppliers located in Rajasthan	2,12,500
(ii)	Raw materials purchased from unregistered suppliers located in Rajasthan	75,000
(iii)	Raw materials purchased from Punjab from registered supplier	2,00,000
(iv)	Integrated tax paid on raw materials imported from USA	45,464

(v)	Consumables purchased from registered suppliers located in Rajasthan including high speed diesel (Excise and VAT paid) valuing ₹ 62,500 for running the machinery in the factory	3,12,500
(vi)	Monthly rent for the factory building to owner registered in Rajasthan	2,00,000
(vii)	Salary paid to employees on rolls	12,50,000
(viii)	Premium paid on life insurance policies taken for specified employees. Life insurance policies for specified employees have been taken by Shriji Ltd. to fulfill a statutory obligation in this regard. The life insurance service provider is registered in Rajasthan.	4,00,000
(ix)	Purchased processing machines from Madhav & Co., registered under GST, in the State of Punjab. Machines were bought in "as is where is condition" at Punjab to produce taxable items.	5,00,000
(x)	Purchased metal scrap (covered under Chapter 72) from Surdas Traders of Maharashtra, an unregistered person, to be used in manufacturing process. He supplied from his Rajasthan unit.	2,00,000
(xi)	Procured information technology services for its business through electronic mode from Mahaprabhu Inc., a company located in Germany	1,50,000
(xii)	A machinery to be used for manufacturing was sent to Lalita Inc., USA for carrying out repair work on the same. The consideration to Lalita Inc. was paid for such repair work. Machine was received after repair, in month of May.	5,00,000
All the above amounts are exclusive of all kinds of taxes, wherever applicable. However, the applicable taxes have also been paid by Shriji Ltd.		
The opening balance of ITC with Shriji Ltd. for the given tax period is-		
CGST ₹ 40,000		
SGST ₹ 30,000		
IGST ₹ 20,000		
Exports, if any, are made on payment of IGST		

Assume CGST, SGST and IGST rates to be 9%, 9% and 18% respectively, wherever applicable.

Assume that all the other necessary conditions to avail the ITC have been complied with by Shriji Ltd., wherever applicable.

Compute (i) ITC available with Shriji Ltd. for June month; and (ii) Net GST payable [CGST, SGST or IGST, as the case may be] from Electronic Cash Ledger by Shriji Ltd. for June month.

**(14 Marks)**

**Question 2A**

Mr. RG, a registered person in Jaipur, Rajasthan purchased a car for ₹ 12,50,000 on 15th October. On 31st October, the car met with an accident resulting in minor damage.

Due to urgency, he got his car repaired in the local garage of a nearby market instead of garage authorized by his general insurance company, i.e. Safety Insurance Company, through which his car was insured.

The total cost of repairs was ₹ 27,000 (excluding GST @ 18%). On the instructions of Mr. RG, the invoice for the entire amount was raised by garage in the name of Safety Insurance Company. The insurance company approved the claim amount of only ₹ 20,000 after the survey and reimbursed the same amount along with GST @ 18% to Mr. RG.

In light of the above facts, you are required to answer the following questions:

- (i) Whether Safety Insurance Company is eligible to avail ITC on the basis of the invoice raised by garage? If yes, what would the amount of eligible input tax credit?
- (ii) Would your answer be different, if garage had issued two different invoices, one for ₹ 20,000 + GST @ 18% to Safety Insurance Company and another for ₹ 7,000 + GST @ 18% to Mr. RG?
- (iii) In case, the garage issued the invoice in the name of Mr. RG, would Safety Insurance Company be eligible to avail ITC?

**(5 Marks)**

2. (b) Khiladi 786 is an online money gaming platform operating from UAE. It provides its users a platform to play and win money in different games that are available on its portal.

In the month of December, Player Yash, an unregistered person located in India, deposited an amount of ₹ 20,000 (inclusive of GST) in the master wallet available on the portal of Khiladi 786. Subsequently, following transactions were undertaken by Player Yash in said month:

- i. Player Yash utilized the amount of ₹ 4,000 from the master wallet towards playing a virtual racing game on the portal. As a winning amount, ₹ 20,000 was credited to the master wallet of Player Yash.
- ii. On another portal operated by Khiladi 786 in the name of Wager 999, Player Yash placed a bet of face value of ₹ 22,000 on an international wrestling match. The amount of such bet was paid by the master wallet of Player Yash. However, he lost the bet and hence the bet amount of ₹ 22,000 with applicable

taxes was transferred from the master wallet to the bank account of Wager 999.

- iii. Player Yash transferred the balance amount from the master wallet to his bank account after the aforesaid transactions. Assume all the above transactions to be exclusive of GST unless otherwise specified.
- iv. Rate of GST applicable is 28% (Please ignore the bifurcation of GST amount into CGST, SGST and IGST.)

Based on the information provided above, answer the following questions, providing brief reasons:

- a) Compute total GST Payable
- b) Net Amount transferred by player to his bank
- c) Whether Khiladi 786 is required to obtain registration in India. Will your answer be different if Player Yash is registered in India

(4 marks)

2.(c) Mr. X, a chemical manufacturer, imports a machine from Germany on 12th January, 20X1 for ₹80 lakh. Mr. X is eligible for concessional rate of customs duty on capital goods imported by him subject to the condition that he follows the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017. Machinery was put to use on 1st February, 20X1. On 5th April, 20X4, Mr. X wants to clear the machine for home consumption after having used the machine for the specified purpose for which it was imported. Mr. X requires your help in calculating the customs duty he will be liable to pay for such clearance as per rule 7 of the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017. Concessional rate of basic customs duty is 2.5%. Normal rate of basic customs duty is 10%. Calculate the basic customs duty payable by Mr. X on clearance of such capital goods for home consumption on 5th April, 20X4. Ignore interest calculation.

(5 marks)

3 (a).

Mr. Bihari imported second-hand goods from a UK supplier by air, which was contracted on CIF basis.

However, there were changes in prices in international market between the date of contract and actual importation. As a result of several negotiations, parties agreed for a negotiated price payable as follows:

Particulars	Contract Price (£)	Changed Price (£)	Negotiated Price (£)
CIF Value	10,000	11,600	11,000
Air Freight	600	1200	1000
Insurance	1000	1300	1200

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

Particulars	Amount
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Vendor inspection charges (inspection carried out by foreign supplier on his own, not required under contract or for making the goods ready for shipment)		£ 1200
Commission payable to local agent @ 1% of FOB in local currency		
<b>Date of bill of entry</b>	<b>Basic customs duty</b>	<b>Exchange rate in ₹ notified by CBIC</b>
18.02.20XX	20%	51
<b>Date of arrival of aircraft</b>	<b>Basic custom duty</b>	<b>Exchange rate in ₹ notified by CBIC</b>
15.02.20XX	10%	49

Inter-bank rate 1 UK Pound = ₹ 53

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

**(5 Marks)**

**3 (b).** Mahima, registered in Delhi, enters into a contract with Spiritual Ltd., an advertising company, located and registered in Gurugram, Haryana, to arrange the display of an advertisement of Mahima's newly launched product on a hoarding placed in Marine Drive-Mumbai, Maharashtra for initial 3 months of the launch of the product. Spiritual Ltd., in turn, enters into a contract with the owner of Seaside Hotel located and registered in Marine Drive-Mumbai, Maharashtra for display of the advertisement on a hoarding placed in the lawn of the hotel. What will be the place of supply of service(s) provided in the given case?

**(5 marks)**

**3 (c).**

RG Consultancy, registered in Jaipur, Rajasthan, supplies technical consultancy services to its clients. It has been providing technical services to Tikendra Ltd., Udaipur, Rajasthan since past two years. Consideration is settled by Tikendra Ltd. assignment wise. Tikendra Ltd. paid 148 lakh to RG Consultancy on 10th January, 20XX for RG Consultancy agreeing not to provide similar technical services to any other business entity in India or abroad for a period of 8 years. RG Consultancy is of the view that ₹ 148 lakh is not chargeable to GST.

You are required to examine whether the view taken by RG Consultancy is valid in law. Calculate GST liability of RG Consultancy, in case you feel that GST is chargeable. Round off the tax amount if due in accordance with law. The technical services provided by RG Consultancy is otherwise chargeable to GST at the rate of 18% and RG have been discharging the GST liability on consultancy charges. It may be noted that Tikendra Ltd. is not ready to pay any further amount to RG Consultancy in addition to the amount already agreed.

**(4 Marks)**

**4 (a).**

Shyamsundar Pvt. Ltd., a manufacturing company, sends inputs and capital goods to a job worker for processing. However, the company fails to receive back the inputs or capital goods within the prescribed time period. Additionally, the company is considering supplying finished goods directly from the job worker's premises without declaring it as an additional place of business.

Furthermore, the company's management is uncertain about who is responsible for maintaining proper accounts related to job work.

In this context, answer the following questions:

- What are the tax implications if the inputs or capital goods are not received back within the prescribed time period?
- Under what circumstances can the principal supply goods directly from the job worker's premises without declaring it as an additional place of business?
- Who is responsible for maintaining proper accounts related to job work?

**(4 marks)**

**4 (b).**

John Taker, aged 45, is a tourist of US origin. He has come to India on a travel visa and carries with him the following articles as part of baggage:

Particulars	Value in Rs.
Used personal effects	25,000
Travel souvenirs	25,000
Laptop	60,000
200 gms tobacco (Valued @ Rs. 3 per gram)	600
50 cigars (Valued @ Rs. 50 each)	2,500
Fire-arms	40,000
80 cartridges of fire-arms (Valued @ Rs. 250 per cartridge)	20,000
1.5 litres wine	2,500
Mobile phone	40,000

With reference to the Baggage Rules, 2016, determine customs duty payable. Ignore Agriculture Infrastructure and Development Cess.

**(5 marks)**

**4 (c).**

M/S RG Ltd has a balance of Rs. 60,000 as CGST and Rs. 60,000 SGST in electronic credit ledger in beginning of April 20XX. During the month of April, 20XX, M/S RG Ltd has following liabilities:

Particulars	CGST (Rs.)	SGST (Rs.)
GST Payable on outward supplies	20,000	20,000
GST payable as a consequence of proceeding instituted under the provision of GST law	10,000	10,000
GST payable on reverse charge supplies	12,000	12,000
Interest for default in late filing of GSTR-3B	1,000	1,000
Penalty	1,000	1,000
<b>TOTAL</b>	<b>44,000</b>	<b>44,000</b>

There is no input tax credit for the month of April 2024.

M/S RG Ltd is of the view that since opening balance in the electronic credit ledger is sufficient to discharge the whole liability for the month of April 2024, it is not required to deposit any tax for the above month.

Explain with reasons whether the contention of M/S RG Ltd is correct in view of the applicable provisions of the CGST Act, 2017.

If not, what would be the amount payable in cash for the month of April, 2024?

Also discuss in brief, the relevant provision of GST law.

**(5 Marks)**

5. (a) Shivansh Ltd. imported a machine from Germany for ₹ 360 lakh during the month of March 2022 on payment of all duties of customs. Due to some technical manufacturing defect the machine was exported (sent back) to supplier for repairs in October 2022. The machine was reimported without any re-manufacturing or reprocessing in August 2023 after repairs. Since the machine was under warranty period, the repairs were carried out free of cost.

However, the fair cost of repairs carried out (excluding cost of material ₹ 10 lakh) would have been ₹ 5 lakh. Actual insurance and freight charges (to and from) were ₹ 5 lakh (₹ 2.50 lakh each side). The ownership of machinery has not been changed during the period.

You are required to advice Shivansh Ltd. on the concessions (if any) available for importation of the machinery after repairs, also state the conditions to be satisfied for availing such concession.

Also compute the customs duty and integrated tax payable (if any) on the re-import of the machine after repairs.

The rate of basic customs duty is 15% and integrated tax is 12%. Ignore Agriculture infrastructure and development cess

(4 marks)

**5. (b)**

RadhaRaman Limited is engaged in manufacture of taxable electronic goods. Its two manufacturing units are located in Mathura and Kashi and both the units are registered under GST in the State of Uttar Pradesh. The company has another manufacturing unit in Bangalore, registered under GST in the State of Karnataka and a retail showroom located in Ahmedabad, registered under GST in the State of Gujarat. The company has provided the following details of the activities/ transactions undertaken in a tax period:

S. No.	Particulars	Mathura unit (₹)	Kashi unit (₹)
(i)	Sale of taxable goods	25,00,000	27,00,000
(ii)	Interest received on fixed deposits with a nationalised bank	-	2,16,000
(iii)	Sale of securities [Such securities were purchased for ₹ 2,75,000]	9,00,000	-
(iv)	Sale of agricultural land in the vicinity of the manufacturing plant [Stamp duty was paid on ₹ 3,70,00,000]	-	3,70,00,000
(v)	Sale of old factory building which was not used anymore [Stamp duty was paid on ₹ 1,50,00,000]	1,80,00,000	-
(vi)	Transfer of actionable claims (other than casinos, online gaming and horse racing)	-	4,00,000

With the help of above information, you are required to determine the value of exempt supply under GST law as provided by Kashi unit and Mathura unit for the purpose of apportionment of ITC under section 17(3) of the CGST Act, 2017.

**(6 marks)**

**5. (c)** Indian Institutes of Management (IIM), Ahmedabad organizes a placement drive for the students studying in the campus. Many multinational companies register for the placement program and pay the registration fee of ₹ 1,00,000. IIM, Ahmedabad is of the view that such consideration received from multinational companies for participating in the placement program is exempt from GST. Explain whether the view taken by IIM, Ahmedabad is correct.

**(4 marks)**

**6. (a)** Discuss briefly the relevant provisions of the CGST Act, 2017 regarding questions for which advance ruling can be sought. **(6 marks)**

**6. (b)** Section 158(1) of the CGST Act, 2017 lays down that the information obtained by a public servant from the record of any proceeding under the CGST Act, 2017 is confidential and cannot be disclosed. Is there any exception to this rule? Discuss in brief.

**(4 marks)**

**6. (c)** State any four benefits available to the status holders under the Foreign Trade Policy 2023.

**(4 marks)**