

Mock Test Paper - Series I: July, 2025

Date of Paper: 25th July, 2025

Time of Paper: 2 P.M. to 5 P.M.

FINAL COURSE: GROUP - II

PAPER – 5: INDIRECT TAX LAWS

1. Question paper comprises of two parts – Division A and Division B.
2. Division A comprises of Case Scenario based Multiple-Choice Questions (MCQs).
3. Division B comprises of questions which require descriptive type answers.
4. Working Notes should form part of the answers. However, in answers to Questions in Division A, working notes are not required.
5. All questions should be answered on the basis of the position of (i) GST law as amended by significant notifications/circulars issued and by the amendments made by the Finance (No. 2) Act, 2024 which have become effective, till 28.02.2025 and (ii) Customs law as amended by the Finance (No. 2) Act, 2024 and significant notifications/circulars and other legislative amendments made upto 28.02.2025.

Division A – Case Scenario based MCQs (30 Marks)

Write the most appropriate answer to each of the following multiple-choice questions by choosing one of the four options given. All questions are compulsory.

Case Scenario - I

Boult Limited, a supplier of water purifiers, is a company registered with the jurisdictional GST authorities at its principal place of business in Mumbai, Maharashtra. Boult Limited has approached MMT India LLP, a Mumbai based event management company registered under GST in the State of Maharashtra, to undertake following activities in relation to organization of an event to be held on July 21 – 22 in Udaipur, Rajasthan for its employees:

- a. Arrangement of accommodation services for its employees in a hotel in Udaipur, Rajasthan
- b. Arrangement of souvenirs to be distributed to its employees attending the event

Boult Limited has agreed to pay a fixed sum of ₹ 3,00,00,000 exclusive of GST (Rates of tax are: CGST - 9%, SGST - 9% and IGST - 18%) for the aforesaid services provided by MMT India LLP. An amount of ₹ 50,00,000 is paid to MMT India LLP as advance at the time of agreement on June 25. Balance amount is payable on July 21 upon issuance of invoice by MMT India LLP and invoice is duly issued for the full amount in the month of July.

MMT India LLP has entered into an agreement with Comfort Hotels, a hotel based in Udaipur, for the aforesaid event to be organized for employees of Boulton Limited. Comfort Hotels has agreed to provide the services to MMT India LLP which includes accommodation and other ancillary services for the aforesaid event at an agreed amount of ₹ 1,50,00,000 exclusive of GST (Rates of tax are: CGST - 14%, SGST - 14% and IGST - 28%). The consideration is payable by MMT India LLP to Comfort Hotels at the time of check in of guests on July 21.

Further, MMT India LLP has also entered into an agreement with Unique Gift Shop, a well-known gift shop based in Udaipur, Rajasthan for purchase of souvenirs for the employees of Boulton Limited. It was agreed that souvenirs would be purchased by MMT India LLP from Unique Gift Shop at a consideration of ₹ 20,00,000 exclusive of GST (Rates of tax are: CGST - 9%, SGST - 9% and IGST - 18%) and Unique Gift Shop would deliver them at the event location, i.e. Comfort Hotels, Udaipur. The aforesaid amount includes the cost of packaging the souvenirs (₹ 20,000) and cost of delivering the same (₹ 50,000) at the location. The entire consideration is payable by MMT India LLP to Unique Gift Shop at the time of delivery of souvenirs on July 21.

In the month of August, Boulton Limited gifts each of its employees (total – 150 employees) a water purifier in terms of their employment contract. The total open market value of such water purifiers is ₹ 52.50 lakh exclusive of GST (Rates of tax are: CGST - 9%, SGST - 9% and IGST - 18%). All water purifiers bear the same cost.

Boulton Limited and MMT India LLP are not registered under GST in the State of Rajasthan. There is no other taxable supply or taxable procurement apart from Comfort Hotels and Unique Gift Shop as mentioned above in the month of July for MMT India LLP. The opening balance of input tax credit of both Boulton Limited and MMT India LLP for the relevant tax periods is nil. All the above amounts are exclusive of GST, wherever applicable.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 1 to 5 below:-

1. In case of the supply of the souvenirs by Unique Gift Shop to MMT India LLP, the place and value of said supply are _____ and _____.
 - (a) Maharashtra; ₹ 20,00,000
 - (b) Maharashtra; ₹ 19,30,000
 - (c) Rajasthan; ₹ 20,00,000
 - (d) Rajasthan; ₹ 19,30,000
2. The place of supply for the hotel accommodation services provided by Comfort Hotels to MMT India LLP is _____ and the nature of supply is _____.
 - (a) Maharashtra, inter-State supply liable to IGST

- (b) Rajasthan, inter-State supply liable to IGST
 - (c) Maharashtra, intra-State supply liable to CGST and SGST
 - (d) Rajasthan, intra-State supply liable to CGST and SGST
3. The net GST payable in cash by MMT India LLP for the month of July in the State of Maharashtra would be _____. MMT India LLP wishes to keep its CGST liability at a minimum.
- (a) CGST - ₹ 18,90,000; SGST - ₹ 22,50,000; IGST - Nil
 - (b) CGST - Nil; SGST - Nil; IGST - ₹ 54,00,000
 - (c) CGST - ₹ 27,00,000; SGST - ₹ 27,00,000; IGST - Nil
 - (d) CGST - ₹ 5,40,000; SGST - ₹ 13,50,000; IGST - Nil
4. The finance team is exploring the feasibility of getting MMT India LLP registered as a casual taxable person in the State of Rajasthan with effect from 20th June.
- In such a scenario, the invoice to Boulton Limited will be issued by MMT India LLP as a casual taxable person registered in Rajasthan. Moreover, the invoice by Comfort Hotels and Unique Gift Shop will be issued to MMT India LLP at its GST registration number as casual taxable person in Rajasthan.
- The estimated tax liability of MMT India LLP to be paid in advance at the time of submission of application for registration in the State of Rajasthan in the month of June would be _____.
- (a) CGST - ₹ 27,00,000; SGST - ₹ 27,00,000; IGST - Nil
 - (b) CGST - Nil; SGST - Nil; IGST - ₹ 8,40,000
 - (c) CGST - ₹ 4,20,000; SGST - ₹ 4,20,000; IGST - Nil
 - (d) CGST - Nil; SGST - Nil; IGST - Nil
5. Compute the outward GST payable, if any, on the water purifiers gifted by Boulton Limited to its employees in the month of August.
- (a) CGST - ₹ 7,35,000; SGST - ₹ 7,35,000; IGST - Nil
 - (b) CGST - Nil; SGST - Nil; IGST - ₹ 14,70,000
 - (c) CGST - Nil; SGST - Nil; IGST - Nil
 - (d) CGST - Nil; SGST - Nil; IGST - ₹ 7,35,000

Case Scenario - II

Vedant 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 25th 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.
11. Nation Public School (NPS) situated in Bilaspur in the State of Chhattisgarh has planned to celebrate its sports day in Bilaspur Stadium located at a distance of 20 km from the school precincts on 15th April. DPS has invited quotes from various suppliers for arranging tent, security and catering for students and teachers. The price has to be quoted including all applicable taxes.
- Suman & Co., a supplier providing the services required above, is not sure of the GST impact on the above transactions. It seeks your help to determine whether GST is applicable on all the above services or not, so that it can quote the competitive price accordingly.
- (a) Tent, security and catering services: All taxable
 - (b) Tent, security and catering services: All exempt
 - (c) Tent and security services: Taxable; Catering services: exempt
 - (d) Tent: Taxable; Security and catering services: exempt
12. Mr. Paramjeet is a trader supplying goods from his firm M/s Rathi Traders. The office of the firm is located in Delhi whereas its godowns are located in the State of Uttar Pradesh, Punjab and Jammu & Kashmir (J & K) respectively.
- M/s Rathi Traders made following intra-State supplies from different States during the current financial year:
- (i) Delhi - Taxable supplies: ₹ 21,00,000
 - (ii) Punjab – Exempted supplies: ₹ 6,00,000

- (iii) Uttar Pradesh – Taxable and exempted supplies: ₹ 3,00,000 each respectively.
- (iv) J & K – Taxable and exempted supplies: ₹ 8,00,000 and ₹ 3,00,000 respectively.

Ascertain the States in which Mr. Paramjeet is required to take registration under GST.

- (a) Delhi, Punjab, Uttar Pradesh and J & K
- (b) Delhi, Uttar Pradesh and J & K
- (c) Delhi and Uttar Pradesh
- (d) Delhi

13. M/s Rishi Megamart, a store located and registered under GST in Rajasthan, has come out with big discount offers at the time of Diwali on various gift items. In order to attract more customers, it has decided to supply a gift pack containing 5 packets of Sukhram's Namkeen (200 gram each) taxable @ 12%, 1 packet of Roasted Smoked Almonds (100 gram) taxable @ 18%, 1 packet of Cournville Chocolate (50 mg) taxable @ 28% and 1 bottle of Teal Fresh Juice (1 litre) taxable @ 18% in a single basket for a single price of ₹ 1,000. State the type of supply and the tax rate applicable on the same.

- (a) Composite supply; tax rate of the principal item, i.e. Namkeen @18%
- (b) Composite supply; highest tax rate out of all items, i.e. 28% applicable to chocolates
- (c) Mixed supply; tax rate of principal item, i.e. Namkeen @18%
- (d) Mixed supply; highest tax rate out of all items, i.e. 28% applicable to chocolates

14. Sasha Enterprises imported some goods through vessel from USA in the month of April. The value of goods imported was ₹ 6,50,000.

The date of entry inwards was 21st April (basic customs duty on said date was 10%). Further, Sasha Enterprises filed bill of entry for home consumption on 25th April (basic customs duty on said date was 20%). Applicable rate of integrated tax was 12% and social welfare surcharge was 10%. Ignore GST compensation cess and agriculture infrastructure and development cess.

However, before inspection and clearance for home consumption, Sasha Enterprises found that the goods had been damaged owing to negligence on part of proper officer of customs. The proper officer accepted that due to said damage, the value of the goods has come down to ₹ 4,00,000.

Compute the total customs duty payable in the given case.

- (a) ₹ 97,280
- (b) ₹ 2,38,160
- (c) ₹ 1,58,080
- (d) ₹ 1,46,560

15. Prem Ltd. exported certain goods last year. The buyer has sent back those goods since the same were under warranty and required repairs. Which of the following conditions are to be satisfied by Prem Ltd. to avail exemption on goods re-imported for repairs under *Notification No. 158/95 Cus dated 14.11.1995*?

- (i) Prem Ltd., at the time of importation, executes a bond.
- (ii) Goods must be re-exported within 6 months or 1 year (if time is extended) of the date of re-importation.
- (iii) In case goods are not repaired, new goods are to be sent by Prem Ltd. within 6 months.

Choose the most appropriate option.

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

Division B – Descriptive Questions (70 Marks)

Question paper comprises of 6 questions.

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

1. Ducket Pvt. Ltd. is a registered manufacturer of auto parts in Kolkata, West Bengal. The company has a manufacturing facility registered under Factories Act, 1948 in Kolkata. It procures its inputs indigenously from both registered and unregistered suppliers located within as well as outside West Bengal as also imports some raw material from China.

The company reports the following details for a tax period:

Payments	(₹) (in lakh)	Receipts	(₹) (in lakh)
Raw material	3.5	Sales	15
Consumables	1.25		
Transportation charges for bringing the raw material to factory	0.70		
Salary paid to employees on rolls	5.0		
Premium paid on life insurance policies taken for specified employees	1.60		
Audit fee	0.50		
Telephone expenses	0.30		
Bank charges	0.10		

All the above amounts are exclusive of all kinds of taxes, wherever applicable. However, the applicable taxes have also been paid by the company.

Further, following additional details are furnished by the company in respect of the payments and receipts reported by it:

- (i) Raw material amounting to ₹ 0.80 lakh is procured from Bihar and ₹ 1.5 lakh is imported from China. Basic customs duty of ₹ 0.15 lakh, social welfare surcharge of ₹ 0.015 lakh and integrated tax of ₹ 0.2997 lakh are paid on the imported raw material.

Remaining raw material is procured from suppliers located in West Bengal. Out of such raw material, raw material worth ₹ 0.30 lakh is procured from unregistered suppliers; the remaining raw material is procured from registered suppliers.

Further, raw material worth ₹ 0.05 lakh purchased from registered supplier located in West Bengal has been destroyed due to seepage problem in the factory and thus, could not be used in the manufacturing process.

- (ii) Consumables are procured from registered suppliers located in Kolkata and include diesel worth ₹ 0.25 lakh for running the generator in the factory.
- (iii) Transportation charges comprise of ₹ 0.60 lakh paid to Goods Transport Agency (GTA) in Kolkata and ₹ 0.10 lakh paid to horse pulled carts. GST applicable on the services of GTA is 5% payable under reverse charge.

- (iv) Life insurance policies for specified employees have been taken by the company to fulfill a statutory obligation in this regard. The life insurance service provider is registered in West Bengal.
- (v) Audit fee is paid to M/s Goyal & Co., a firm of Chartered Accountants registered in West Bengal, for the statutory audit of the preceding financial year.
- (vi) Telephone expenses pertain to bills for landline phone installed at the factory and mobile phones given to employees for official use. The telecom service provider is registered in West Bengal.
- (vii) Bank charges are towards company's current account maintained with a Private Sector Bank registered in West Bengal.
- (viii) The breakup of sales is as under:
 Sales in West Bengal – ₹ 7 lakh
 Sales in States other than West Bengal – ₹ 3 lakh
 Export under LUT – ₹ 5 lakh
- (ix) The opening balance of ITC with the company for the tax period is:
 CGST - ₹ 0.15 lakh
 SGST - ₹ 0.08 lakh
 IGST - ₹ 0.09 lakh

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

Note-

- (i) CGST, SGST & IGST rates to be 9%, 9% and 18% respectively, wherever applicable.
- (ii) The necessary conditions for availing ITC have been complied with by Ducket Pvt. Ltd., wherever applicable.

You are required to make suitable assumptions, wherever necessary. **(14 Marks)**

2. (a) Radiant Ltd., registered in Noida (Uttar Pradesh), is a supplier of machinery used for making bottle caps. The supply of machinery is effected as under:

- The wholesale price of the machinery (excluding all taxes and other expenses) at which it is supplied in the ordinary course of the business to various customers is ₹ 42,00,000.

However, the actual price at which the machinery is supplied to an individual customer varies within a range of $\pm 10\%$ depending upon the terms of contract of supply with the particular customer.

- Apart from the price of the machinery, Radiant Ltd. charges from the customer the following incidental expenses:

- ◆ associated handling and loading charges of ₹ 10,000
- ◆ installation and commissioning charges of ₹ 1,00,000

- Transportation of machinery to the customer's premises is arranged by Radiant Ltd. through a third-party service provider [Goods Transport Agency (GTA)].

The customer enters into a separate service contract with the GTA and pays the freight directly to it.

- A cash discount of 2% on the price of the machinery is offered at the time of supply, if the customer agrees to make the payment within 15 days of the receipt of the machinery at his premises.

In the event of failure to make the payment within the stipulated time, the company-

- ◆ recovers the discount given at the time of receiving payment from the customer (no separate amount of GST is recovered); and
- ◆ charges simple interest @ 1% per month or part of the month (no separate amount of GST is recovered) on the total amount due from the customer (towards the machinery supplied) from the date of making the supply till the date of payment. However, no interest is charged on the tax dues.

- For every machinery supplied, Radiant Ltd. receives a price linked subsidy of ₹ 2,00,000 from its holding company Decent Ltd.

Calculate the Assessable Value of supply of machine.

Make suitable assumptions, wherever needed.

(5 Marks)

- (b) Sanskar Nursing Home, a clinical establishment, offers the following services:
- (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 Sanskar 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 Sanskar Nursing Home. The food is prepared by its employees and nothing is outsourced to any third-party vendors.
 - (v) Homeopathic medical treatment.

Sanskar 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 Sanskar Nursing Home. **(5 Marks)**

- (c) Mrs. Hotilal, an Indian resident (36 years old) who was on a visit to China, returned after 6 months. She was carrying with her the following items:

(i)	Personal effects	₹ 75,000
(ii)	Laptop computer	₹ 60,000
(iii)	Jewellery - 25 grams (purchased in China)	₹ 75,000
(iv)	Music system	₹ 50,000

Compute the customs duty payable by Mrs. Hotilal with reference to the Baggage Rules, 2016. Ignore Agriculture infrastructure and development cess. **(4 Marks)**

3. (a) Determine the place of supply for the following independent cases:
- (i) Jagmagahat Events, an event management company at Kolkata, organises two award functions for Kamna Jewellers of Chennai (Registered in Chennai, Tamil Nadu) at New Delhi and at Singapore.
 - (ii) Wonder Planners (Bengaluru, Karnataka) is hired by Dr. Cummins (unregistered person based in Kochi, Kerala) to plan and organise his son's wedding at Mumbai, Maharashtra.

Will your answer be different if the wedding is to take place in Malaysia?

(4 Marks)

- (b) Mr. Smiley has a huge residential property located at a prime location in Mumbai, Maharashtra. He has let out the 1st and 2nd floor to Mr. Peace for residential purposes in April. Mr. Peace surrenders his tenancy rights to Mr. Murari for a tenancy premium of ₹ 10,00,000 on 1st June. Mr. Murari has also paid the applicable stamp duty and registration charges on transfer of tenancy rights. Moreover, Mr. Murari has agreed to pay a monthly rent of ₹ 1,00,000 to Mr. Smiley (unregistered under GST) from June.

Determine the taxability of the transaction(s) involved in the given case, for the month of June. **(4 Marks)**

- (c) An importer from Cochin imports goods from an exporter in US. The vessel carrying the goods reaches Mumbai port first and from there goods are transhipped to Cochin port.

Determine the assessable value of the imported goods under the Customs Act, 1962 from the following particulars:

S. No.	Particulars	Amount
(i)	Cost of the machine at the factory of the exporter	US \$ 20,000
(ii)	Transport charges from the factory of exporter to the port for shipment	US \$ 1,000
(iii)	Handling charges paid for loading the machine in the ship	US \$ 100
(iv)	Buying commission paid by the importer	US \$ 100
(v)	Freight charges from exporting country to India	US \$ 2,000
(vi)	Actual insurance charges paid are not ascertainable	-
(vii)	Charges for design and engineering work undertaken for the machine in US	US \$ 5,000
(viii)	Unloading and handling charges paid at the place of importation	₹ 1,500
(ix)	Transport charges from Mumbai to Cochin port	₹ 25,000
(x)	Exchange rate to be considered: 1\$ = ₹ 70	

(6 Marks)

4. (a) M3M Pvt. Ltd., Pune, Maharashtra, provides house-keeping services. The company supplies its services exclusively through an e-commerce website owned and managed by Fortech India Pvt. Ltd., Pune. The turnover of M3M Pvt. Ltd. in the current financial year is ₹ 18 lakh.

Advise M3M Pvt. Ltd. as to whether it is required to obtain GST registration. Will your advice be any different if M3M Pvt. Ltd. sells readymade garments exclusively through the e-commerce website owned and managed by Fortech India Pvt. Ltd.?

(5 Marks)

- (b) M/s VSM & Co. have availed input tax credit of ₹ 42,500 during September under IGST head, instead of availing ₹ 21,250 under CGST & SGST heads. Mr. Raghu, accountant of the above entity would like to use Form GST PMT-09 for making a transfer from IGST head to respective CGST & SGST heads.

Examine the scenario and offer your comments.

(5 Marks)

- (c) Flourish Sales' imports were being provisionally assessed pending a verification that the department was carrying out. Upon completion of the verification, the assessments were finalized, and Flourish Sales was asked to pay ₹ 12 lakh, which it paid. After six months, upon detailed scrutiny of the verification report and taking legal opinion on it, Flourish Sales filed a claim for refund of ₹ 8 lakh on the ground that the differential amount should be ₹ 4 lakh only and that there were factual errors in the verification report. Was this the correct mode of redressal by Flourish Sales? What will be likely outcome of the claim? Discuss on the basis of case law on the subject.

(4 Marks)

5. (a) Rishabh intends to start selling certain goods in Delhi. However, he is not able to determine (i) the classification of the goods proposed to be supplied by him [as the classification of said goods has been contentious] and (ii) the place of supply if he supplies said goods from Delhi to buyers in U.S.

Rishabh's tax advisor has advised him to apply for the advance ruling in respect of these issues. He told Rishabh that the advance ruling would bring him certainty and transparency in respect of the said issues and would avoid litigation later. Rishabh agreed with his view, but has some apprehensions.

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

- (i) Rishabh is apprehensive that if at all advance ruling is permitted to be sought, he has to seek it every year. Whether Rishabh's apprehension is correct?
- (ii) The tax advisor is of the view that the order of Authority for Advance Ruling (AAR) is final and is not appealable. Whether the tax advisor's view is correct?

(5 Marks)

- (b) Ramkumar Enterprises is entitled for exemption from tax under GST law. However, it collected tax from its buyers worth ₹ 50,000 in the month of August. It has not deposited the said amount collected as GST with the Government. You are required to brief to Ramkumar Enterprises the consequences of collecting tax, but not depositing the same with Government as provided under section 76 of the CGST Act, 2017. **(5 Marks)**

- (c) Nikunj imported a sports car from Japan. He paid the applicable customs duty and an order for home consumption was issued. At the time of actual clearance for home consumption, he found that the sports car was destroyed due to a fire occurred at the customs station. The loss of sports car is forever and beyond recovery.

Nikunj seeks your advice on how to deal with the situation under the provisions of the Customs Act, 1962.

Whether your answer would differ if Nikunj warehoused the sports car due to delay in legal formalities after complying with the relevant provisions of the Customs Act, 1962 and the fire occurred there after the payment of duty but before actual clearance therefrom? **(4 Marks)**

6. (a) Briefly discuss the modes of recovery of tax available to the proper officer.

(6 Marks)

- (b) Discuss in brief the precautions to be observed while issuing summons under the GST law.

OR

- (b) Under the GST law who can order for carrying out inspection and under what circumstances? **(4 Marks)**

- (c) With reference to section 9A(1A) of the Customs Tariff Act, 1975, mention the ways that constitute circumvention of antidumping duty imposed on an article which may warrant action by the Central Government. **(4 Marks)**